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# Daily Report

# East Asia

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# Daily Report
## East Asia

*FBIS-EAS-91-141*

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*23 July 1991*

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## ASEAN Reportage Continues

### PRC, USSR Agree on Cambodian SNC Envoys

*BK2007054391 Hong Kong AFP in English 0450 GMT 20 Jul91*

[Text] Kuala Lumpur, July 20 (AFP)—China and the Soviet Union are in basic agreement on Cambodia and will accredit envoys to the Cambodian Supreme National Council (SNC) after November, a senior Soviet official said here Saturday.

"A year ago there were differences" on Cambodia between the two superpowers, which have supported opposing factions in Cambodia's 12-year-old civil war, Soviet Deputy Foreign Minister for East Asia Igor Rogachev told journalists.

"Now I think we are at about the same position," he added, following nearly an hour of closed-door talks between Soviet Deputy Premier Yuriy Maslyukov and Chinese Foreign Minister Qian Qichen.

Mr. Rogachev also said the two countries would accredit envoys to the SNC after the transitional authority sets up its headquarters in Phnom Penh in November.

Moscow hopes to see the Paris International Conference on Cambodia reconvene this year, he added.

Chinese and Soviet officials are here as guests alongside annual talks among foreign ministers of the Association of Southeast Asian Nations (ASEAN), marking their governments' first official contact with the once staunchly anti-communist regional grouping.

The ASEAN ministers said Friday they would accredit representatives to the SNC, probably after SNC Chairman Prince Norodom Sihanouk takes up Cambodia's seat at the United Nations in September and returns to Phnom Penh in November.

The ministers also decided to invite the Soviet Union attend the next round of ministerial talks in Manila as a guest.

Mr. Maslyukov said ASEAN had not specified conditions for Moscow to become a full dialogue partner, and asked when its status could be upgraded he replied: "That is fruit that must ripen."

He also said his government, which has diplomatic relations with all ASEAN countries except Brunei, would "make great efforts" to establish ties to the oil-rich sultanate.

Mr. Rogachev said Moscow hoped to reach a final decision on Brunei before the end of the year. ASEAN comprises Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

The Chinese-Soviet discussions also covered some problems that may arise at the U.N. General Assembly such as Cambodia and separate membership applications from North and South Korea, Mr. Rogachev said without elaborating.

### PRC, USSR Invited to Manila Meeting

*HK2207065391 Manila THE CHRONICLE in English 22 Jul 91 p 8*

[Text] The Philippines yesterday invited China and Soviet Union to the 25th foreign ministers' meeting of the Association of Southeast Asian Nations in Manila next year, a move that augurs well for Asean's relations with the two superpowers.

Foreign Secretary Raul S. Manglapus issued the invitation at the end of the current 24th Asean ministerial meeting in Kuala Lumpur yesterday.

Manglapus issued the invitation in his capacity as incoming chairman of the Asean Standing Committee which will steer the group's initiatives until July next. Manglapus succeeded Malaysian Foreign Minister Datuk Abdullah Badawi as committee chairman.

The Deputy Prime Minister of the Soviet, Yuriy D. Maslyukov, and Chinese Foreign Minister Qian Quichen were present at the opening of the Asean Foreign Ministers' meeting and held private discussions with the Asean ministers. They were in Kuala Lumpur on the invitation of the Malaysian government. It was the first time that the Soviet Union and China were present at the annual Asean ministerial meeting.

Chinese and Soviet discussions with Asean as a group will complete the association's network of relationships with all the major powers in the world, Manglapus said when asked about the significance of the attendance of Beijing and Moscow at the Kuala Lumpur and Manila conferences.

The other Asean foreign ministers who joined the Kuala Lumpur meeting here were His Royal Highness Prince Mohamed Bolkian, Brunei, Ali Alatas, Indonesia; Wong Kan Seng, Signapore; and Asa Sarasin, Thailand.

The Asean foreign ministers ended their meeting with a joint communique with optimism pledging to intensify intra-regional cooperation to meet the challenges of this decade.

They also endorsed a Philippine proposal that seeks an Asean Treay of Economic Cooperation that will promote trade among the member countries.

According to Manglapus, the proposed treaty shall provide a commitment that goes beyond just best efforts and instead make it not only a moral but a legal covenant among the Asean members.

### Indonesia Supports Papua New Guinea's UN Bid

*BK2107125091 Jakarta ANTARA in English 1132 GMT 21 Jul 91*

[Text] Kuala Lumpur, 21/7 (ANTARA) - Indonesia on Sunday reaffirmed its support for Papua New Guinea's (PNG's) bid to chair the next United Nations General Assembly.

Foreign Minister Ali Alatas reaffirmed Indonesia's support during bilateral talks in Kuala Lumpur amid the 24th ASEAN foreign ministers meeting [AMM] and the post-ministerial conference [PMC].

"We reiterated our support as a country as well as ASEAN," Alatas told newsmen following talks with PNG Foreign Minister Michael Somare.

Alatas added that they discussed the follow-up of the decisions of the latest meeting of the Indonesian-PNG Border Committee during the talks.

According to Alatas, bilateral relations are currently close and good. Thus, there have been no problems between the two countries. "What we are doing is to modify the memoranda of understanding on the border following the signing of new agreements," he added.

Foreign Minister Somare is in Kuala Lumpur as (?an observer) at the AMM and PMC which started last Friday and is scheduled to end on Wednesday.

## Japanese Foreign Minister on 'Soviet Threat'

*BK2307030991 Bangkok THE NATION in English 23 Jul 91 p A4*

[Text] Kuala Lumpur—Japan yesterday urged the Soviet Union to apply its "new thinking" diplomacy in the Asia-Pacific by scaling down its military capabilities in the region.

Japanese Foreign Minister Taro Nakayama also reiterated that the resolution of the Northern Territories issue would be a litmus test demonstrating whether Moscow is serious about its much acclaimed new diplomatic thinking, which has brought about a drastic transformation of East-West relations over the past year.

Nakayama, in his opening speech at the Post Ministerial Conferences yesterday, highlighted Japan's lingering fear of the Soviet threat by saying that although the Soviet military presence in Mongolia, Cam Ranh Bay and along the Sino-Soviet border has been reduced, upgrading of its military capabilities in the Far East continues.

In relation to Japan's active political role in the Asian-Pacific region, Nakayama pointed out that Japan and other Asian countries should meet regularly to exchange views on their future relations.

Nakayama said such meetings would allow "the political dialogue necessary to increase the sense of security felt by all parties."

He suggested that countries in the region should utilize the existing mechanisms such as ASEAN, Post Ministerial Conferences, the Asia Pacific Economic Committee and the Pacific Economic Cooperation Committee to further dialogue and international cooperation.

Japan's future diplomacy, he said, could be a worthy topic of discussion among countries in the region which have some anxieties over Japan's role in the area, especially regarding military matters.

A senior Japanese Foreign Ministry official told THE NATION that Tokyo is very sensitive to ASEAN concern that its higher political profile would have a militaristic dimension.

"We want to make sure that our future role in the region has the approval of all parties concerned," said the official, who asked not to be identified.

In his speech, Nakayama said the ASEAN idea that the Post Ministerial Meeting was an appropriate base to further discuss regional security issues was both meaningful and timely.

He suggested that there should be a senior officials' meeting among ASEAN and dialogue partners to prepare a report for further deliberations.

By supporting this framework, Japan is rejecting the calls made by the Soviet Union and some Western countries for implementation of the European-type confidence-building measures, as exemplified by the Conference on Security and Cooperation in Europe. [CSCE]

He said the geopolitical and strategic environment of the Asia Pacific region is vastly different from that in Europe.

"The processes and mechanisms that developed in Europe under the CSCE are not appropriate for security in this region," said Nakayama.

## Partners Urge Support of Tough Stance on Burma

*BK2207141091 Kuala Lumpur Radio Malaysia Network in English 1330 GMT 22 Jul 91*

[Text] The United States today made a pledge for the support of the ASEAN countries and its dialogue partners in a collective move to get the military of Myanmar [Burma] to accede to the will of the people. Referring to the Southeast Asian country by the old name of Burma, U.S. Under Secretary of State Mr. Robert Zoellick said that for more than a year the military regime had thwarted the will of the Myanmarese [Burmese] people expressed in their 1990 election. Mr. Zoellick said, without ASEAN's efforts, the people of Myanmar will suffer longer, undeveloped, and undemocratic. Myanmar will poison the region with narcotics and remains a cancer of instability.

He was addressing the post ministerial conference between ASEAN and its dialogue partners in Kuala Lumpur. He stood in for U.S. Secretary of State James Baker whose arrival has been delayed to tomorrow.

ASEAN's dialogue partners are Australia, Canada, Japan, New Zealand, the European Community, South Korea, and the United States.

The U.S. concern over Myanmar was also shared by Canada and Australia.

In the land which was used to be known as Burma, Canada deplored "the regression of the democratic process", said Canadian Secretary for External Affairs Barbara McDougall, adding that her government called on the government of Myanmar to release all political prisoners and to convene the elected national assembly at an early date.

Australian Foreign Minister Gareth Evans saw the regime in Myanmar as a new source of potential instability in the region.

Mr. Zoellick said ASEAN and the dialogue partners need to direct their collective attention toward Myanmar where the military is continuing to use arrests and intimidation against their own peaceful people. Noting that thousands of political prisoners have remained in cells or under house arrest, he said all should call for and work for the release of political prisoners and the transfer of authority to the elected civilian leaders of Myanmar.

### Thailand Defends Burma Policy

*BK2307035591 Bangkok BANGKOK POST in English 23 Jul 91 p 2*

[Excerpts] Kuala Lumpur—The United States yesterday urged ASEAN and six other industrialised countries to call for and work towards the transfer of power from the military regime in Burma to the elected civilian leaders. [passage omitted]

Meanwhile, Canadian Secretary of State for External Affairs Barbara McDougall yesterday issued a statement calling for the military regime in Burma to release all political prisoners, to convene the national assembly at an early date, and to proceed promptly to end the systematic and forced oppression of the Burmese people.

Thailand yesterday defended its policy of continual contact with the ruling military junta in Burma and reaffirmed that isolating the country would prove fruitless.

During the opening session between the ASEAN foreign ministers and their dialogue partners here, Foreign Minister Asa Sarasin said the Thai Government views Burma as a part of Southeast Asia.

He said the Thai Government is familiar with the Burmese rulers and that it was necessry to continue its contact with them.

"Thailand has and will continue to encourage the Burmese Government to make contact with the outside world," Minister Asa said, adding that Thailand would continue its policy with Burma.

Mr Asa said Thailand would solve the problem in Burma in its own way and was the best judge of how it should conduct its policy with Rangoon.

He urged other countries not to interfere in Thailand's policy towards Burma, adding that Thailand is confident that Burma will one day play a role in the region because of its natural wealth and resources.

Mr Asa added that the Burmese Government still needs assistance from Thailand, adding that it would take time to convince the Burmese Government on certain policies, especially with regards to democratisation.

"Thailand has her own methods," he said adding that pressure from the United States would not work.

Over the weekend U.S. Senator Daniel Moynihan announced that U.S. President George Bush had decided to impose economic sanctions on Burma. [passage omitted]

Australian Foreign Minister Gareth Evans said the SLORC [State Law and Order Restoration Council] had "manifestly repressed the clear wish of its people for democratic change," producing a new source of potential instability in the region.

Meanwhile, the European Community (EC) said its future ties with ASEAN would have to address the issues of human rights and the environment.

But ASEAN nations said no group should impose its standards of human rights and environmental issues on others or try to make them conditions for trade and investment.

"I would refer here to the fundamental evolution of attitudes in European public opinion about human rights and democracy, "EC Commissioner Abel Matutes told an annual meeting between ASEAN and its seven "dialogue" or trading partners.

"I am sure that we agree on the attention that this issue should receive in our future cooperation," Matutes added.

Malaysian Foreign Minister Abdullah Ahmad Badawi, on behalf of ASEAN, told the conference: "Environmental issues and the question of human rights have emerged as new caveats.

"Attempts to impose the standard of one side on the other or interpreting it in a selective or narrow manner would disrupt the traditional goodwill and cooperation and tread upon the sovereignty of nations."

### Members View U.S. Call for Pressure

*BK2307092591 Hong Kong AFP in English 0905 GMT 23 Jul 91*

[Text] Kuala Lumpur, July 23 (AFP)—The six-member Association of Southeast Asian Nations (ASEAN) Tuesday rejected a U.S. call for it to join Western efforts to pressure Burma's military junta to transfer power to a popularly elected government and free political prisoners.

Diplomats said ASEAN foreign ministers told U.S. Secretary of State James Baker and Washington's Western allies at talks here that they would instead engage in a policy of "constructive engagement" with Burma's military rulers.

The diplomats, who attended the close-door talks here, quoted Philippine Foreign Secretary Raul Manglapus, acting as spokesman for the ASEAN ministers, as saying the dialogue would seek to draw Burma's attention to the "world's concern over what is happening there."

But Mr. Manglapus said this would be done in "ASEAN's own way", which the diplomats interpreted to mean that the dialogue would be carried out quietly and without fanfare.

Regional diplomats said the ASEAN dialogue with Burma would largely be Manila's responsibility because the Philippines had replaced Malaysia as the current chairman of the ASEAN standing committee after the conclusion of the group's foreign ministers' two-day annual meeting here last week.

ASEAN diplomats quoted Mr. Manglapus as assuring Mr. Baker, who joined the talks Tuesday, that the ASEAN six were as concerned as other countries about events in Burma because of its importance to stability in the region.

But the Philippine foreign secretary said that ASEAN, grouping Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand would not turn its back on Burma at this stage.

U.S. Under Secretary of State Robert Zoellick asked the ASEAN foreign ministers during talks here Monday to urge Burma's military rulers to transfer power to civilian leaders of the National League for Democracy (NLD) elected by a great majority at polls in May last year.

"Thousands of political prisoners remain in cells or under house arrest," Mr. Zoellick said, adding that they included the NLD leader Aung San Suu Kyi, who had just marked her second year under house arrest.

Diplomats here said the move was strongly backed by Canada and Australia. Senior Canadian officials briefing newsmen after Monday's talks said that Ottawa would continue speaking out against Burma's ruling junta invididually and in concert with others at international meetings.

The ASEAN foreign ministers are holding a three-day post ministerial conference with their countries' major trading partners after their annual meeting.

Besides Mr. Baker, the talks are being attended by the foreign ministers of Australia, Canada, Japan, South Korea, and New Zealand, and representatives of the European Community.

### Australia Censures U.S., EC on South Africa

*BK2307050691 Hong Kong AFP in English 0447 GMT 23 Jul 91*

[Text] Kuala Lumpur, July 23 (AFP)—Australia has sharply criticised U.S. and European Community (EC) policy on South Africa, saying the move to ease sanctions against Pretoria's white regime had delayed black majority rule.

The Australian attack came during close-door talks here Monday between foreign ministers of the Association of Southeast Asian Nations (ASEAN) and those from its seven major trading partners, the diplomats said on condition of anonymity.

They quoted Australian Foreign Affairs and Trade Minister Gareth Evans as saying that the U.S. lifting of an embargo in trade with South Africa had caused some "backsliding" in Pretoria's williness to free political prisoners and allow exiles to return home.

He also felt that a similar move by the 12-member EC which in February voted to lift bans on trade in iron, steel and gold coins, had also appeared to give South African President Frederik de Klerk "a wrong sense of confidence."

The six ASEAN countries, Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand are holding talks here with the United States, Canada, the EC, Japan, South Korea, Australia and New Zealand in their Post Ministerial Conference (PMC).

According to the diplomats, Mr. Evans described the U.S. and EC moves as unfortunate and premature because of the complex political situation in South Africa and said that a tough-minded approach would have better served the interests of the blacks.

The sanctions had barred trade between the United States and South Africa on a wide variety of goods, including gold coins, computer technology, (word indistinct), coal and oil and banned U.S. investment and direct air links.

Diplomats said that Mr. Evans felt that trade sanctions were more an (word indistinct) weapon than an effective way of isolating South Africa and told the PMC that the United States and other Western governments should keep economic sanctions like those barring International Monetary Fund loans to Pretoria in place.

Separate U.S. legislation still in force blocks import-export bank credits and arms deals with Pretoria, the diplomats said.

But conference sources said both the United States and EC representatives maintained that they had acted correctly and that their actions would prod Mr. de Klerk into making more changes leading up to majority rule.

A senior U.S. official said that the constitutional process of breaking down apartheid was in an advanced, irreversible stage and that it was now necessary to boost housing, education and training for blacks to prepare them for majority rule.

He told the conference that the U.S. lifting of its trade embargo would help this process.

In a joint communique issued here on Saturday after a two-day meeting, ASEAN foreign ministers said that any phased withdrawal of sanctions should be matched by an irreversible change towards an apartheid free South Africa.

## Dialogue Partners Prefer APEC Over EAEG

*BK2307034591 Bangkok THE NATION in English 23 Jul 91 p A2*

[Excerpts] Kuala Lumpur—ASEAN's dialogue partners yesterday stressed their preference for the Asia-Pacific Economic Cooperation (APEC) pact as a means of liberalizing regional trade and gave lukewarm support for Malaysia's proposed East Asia Economic Grouping. [EAEG]

On a day when economic cooperation was one of the major issues discussed between ASEAN and its dialogue partners—the United States, Canada, Japan, South Korea, Australia, New Zealand and the European Community—these comments appeared to reflect a concern among the non-Europeans, at least, that regional economic cooperation should not exclude the two North American nations.

The first six dialogue partners together with ASEAN comprise APEC. Malaysia's East Asia Economic Grouping proposal would leave out the United States and Canada, and possibly Australia and New Zealand, but include China, Taiwan and possibly Indochina.

Prime Minister Mahathir Mohamed first proposed setting up the East Asia Economic Grouping last December in response to the formation of economic groups elsewhere and to the collapse of the 108-nation Brussels ministerial meeting that should have marked the completion of the Uruguay Round of multilateral trade talks.

At last week's annual meeting, ASEAN foreign ministers agreed to study Malaysia's proposal further.

Gareth Evans, Australian foreign affairs and trade minister, said on the first day of dialogue with ASEAN foreign ministers yesterday that trade policy should be central in any efforts by APEC to become an effective vehicle for enhanced regional economic cooperation.

If the deadlocked Uruguay Round of multilateral trade talks is to succeed, APEC officials should be looking at ways to accelerate the implementation of a fairer, more liberal international trading regime within the region, he said.

If not, APEC should be looking at ways to complement the multilateral trading system by considering measures to reduce the costs and impediments of transactions such as standards, double taxation, customs procedures, plant and animal health regulations and electronic data interchange, Evans proposed.

APEC is an Australian initiative launched in 1989 as an international forum to improve wider economic, trade and technology cooperation between countries in the Asia-Pacific region.

Evans proposed that APEC should take into consideration non-discriminatory regional trade liberalization as its most important policy issue.

"We need to take steps, irrespective of what happens in the Uruguay Round, to specifically reduce trade barriers—both tariff and non-tariff—in the region, but in a way that does not discriminate against trade outside it," he said.

"On this whole subject, may I say that we welcome the Proposal for an 'APEC 2000' declaration, involving a commitment to achieving progress on regional trade liberalization in preparation for the 21st century."

The proposal to liberalize trade within the APEC members is in accord with what ASEAN is attempting to accomplish among its members by studying the possibility of turning the ASEAN market of more than 300 million into a free trade area by the turn of the century.

Only Don McKinnon, New Zealand minister of external relations and trade, agreed to study Malaysia's proposal for an East Asian Economic Group, which the United States and the EC view as an attempt to form an economic bloc.

He said any discussion of security arrangements in the Asia-Pacific region should strengthen, not weaken, ASEAN or APEC. [passage omitted].

South Korean Foreign Minister Yi Sang-ok, whose country this year joins ASEAN for the first time as a full dialogue parter, also pointed out that APEC was a mechanism that is increasingly playing an important role in enhancing stability and development in the region.

"The APEC process ... has steadily and successfully evolved into a central region-wide framework for the promotion of regional economic cooperation," he said.

In November this year, South Korea will host the third APEC ministerial meeting, a schedule that could be close to the end of the Uruguay Round and to the completion of the EC's single market.

## Members Cool to Japan's Security Forum Proposal

*BK2307041491 Bangkok BANGKOK POST in English 23 Jul 91 p 1*

[By Natthaya Chetchotirot in Kuala Lumpur]

[Text] The ASEAN foreign ministers yesterday responded cooly to a Japanese proposal that the association and its dialogue partners establish annual and formalised discussion at the senior official level on regional security issues.

The proposal was made yesterday at the opening session of the ASEAN foreign minister's Post-Ministerial Meeting with the dialogue partners during a speech by Japanese Foreign Minister Taro Nakayama.

Mr Nakayama proposed to start a security dialogue between non-communist Southeast Asia and their major trading partners outside the region.

He suggested the ASEAN dialogue partners make their annual talks "a process of political discussions designed to improve the sense of security among us."

Mr Nakayama said that it might be advisable to organise a meeting of senior officials in order to make the debate effective as ASEAN currently does.

Foreign Minister Asa Sarasin said however that he did not think that a meeting of senior officials of ASEAN and dialogue partners was necessary, but added that ASEAN would consider the proposal.

He said the fact that ASEAN did not accept the proposal immediately was because the ministers could speak on security issues each year.

But to have senior officials discuss regional security issues was not urgent, he said.

Indonesian Foreign Minister Ali Alatas said that ASEAN does not object in principle to discussing security issues during the dialogue with its partners that is held after a meeting of the foreign ministers.

But he said that establishing a working group on security would give people the wrong impression that the post-ministerial meeting is becoming a security forum.

Minister Alatas said he felt it should be a general forum, that there can be discussions of security issues along with other issues.

Philippines Foreign Minister Raul Manglapus said "in principle certainly I have no objections."

But the matter of senior officials discussing security issues would have to be looked at more closely, he said.

Singapore's Foreign Minister Wong Kan Seng said his country agreed with the proposal of a security dialogue but having senior officials discussing security matters "is something we need to study."

Malaysian Foreign Minister Abdullah Badawi said the Japanese proposal is one of the appropriate bases for security discussions, adding that it was good for the Japanese to propose it .

But whether the structure should be adopted needs further study, the Malaysian minister said.

## Three Dialogue Partners To Tackle Drug Problem

*BK2207123791 Kuala Lumpur BERNAMA in English 0928 GMT 22 Jul 91*

[Text] Kuala Lumpur, July 22 (OANA-BERNAMA)—Three of ASEAN's seven dialogue partners Monday assured the regional grouping of their continued support in tackling the drug problem.

The United States said it endorsed the idea of convening a conference to develop a coordinated narcotics strategy. U.S. Under Secretary of State Robert Zoellick said the strategy could include joint law enforcement operations, training, intelligence exchanges and a shared data-base.

Other measures included tighter controls over the flow of illicit drug money, extradition agreements, and education to help end demand and support rehabilitation, he said at the opening session of the ASEAN post ministerial conference (PMC) here.

"We are prepared to work with the ASEAN nations and dialogue partners to launch a cooperative programme to attack the noxious narcotics trade that lures, degrades and kills our people," he said.

Saying there was a need to face newer challenges together, he said the idea to launch the programme arose from the recent Washington session of the ASEAN-U.S. dialogue.

ASEAN's latest dialogue partner, South Korea, underlined the need for joint measures to deal with the drug problem, saying it was one of the most daunting challenges being faced today.

Foreign Minister Yi Sang-ok said his country was deeply concerned with the rapid increase in the incidence of drug abuse and trafficking in the Asia-Pacific region.

"It seems imperative for all of us—source countries, transit countries and consuming countries alike—to take collective measures in dealing with the drug problem," he said.

"If we are to win the war against drugs, we must demonstrate our determination to solve the problem and should act decisively and in concert to combat it at all levels," he said in his maiden speech at the PMC.

Canada's Secretary of State for External Affairs Barbara McDougall said the struggle against illicit drugs was similar to that against political terrorism and territorial aggression as they all had an effect on the world's security and well-being.

The other dialogue partners are Australia, the European Community (EC), Japan and New Zealand.

## U.S.' Baker Meets With Malaysia's Mahathir

*BK2307095291 Kuala Lumpur BERNAMA in English 0923 GMT 23 Jul 91*

[Text] Kuala Lumpur, July 23 (OANA-BERNAMA)—U.S. Secretary of State James Baker is hopeful that a West Asian peace conference can be held before the end of this year.

He is said to have conveyed this optimism at a meeting with Malaysian Prime Minister Dr. Mahathir Mohamed at his office here Tuesday.

Baker had arrived here at dawn to attend the annual conference between ASEAN and its dialogue partners, fresh from a visit to five West Asian countries to win support for a US initiative to convene Arab-Israeli talks.

Foreign Ministry Deputy Secretary General Abdul Halim Ali told reporters after the meeting that Baker had briefed Dr. Mahathir on his latest peace mission in West Asia, saying he (Baker) was pleased with the support received from most Arab states to his initiative.

He said Dr. Mahathir explained Malaysia's views on the West Asian situation and expressed appreciation for Baker's efforts to find a peaceful solution.

Halim said Baker also thanked Dr. Mahathir for Malaysia's support for the UN resolution that enabled the use of force to evict occupying Iraqi troops from Kuwait in the Gulf war early this year.

Halim said Dr. Mahathir explained to Baker the objectives of the proposed East Asia Economic Group (EAEG) and that Baker had got a clearer picture of Malaysia's objective in proposing the EAEG.

He said both leaders had agreed that exchange of views on the subject should be continued between the two countries.

He also said that Baker had expressed his views about the American position on the EAEG.

"I do not want to go into details. They (the U.S.) have some reservations because to them the EAEG seems to draw a line which excludes the U.S. After all, the U.S. is one of ASEAN's major trading partners," Halim said when questioned by reporters.

"They (the U.S.) still attach importance to APEC (Asia Pacific Economic Cooperation forum). They continue to put emphasis on APEC and feel that nothing should be done to undermine it," he added.

Halim said Baker also expressed his appreciation for the "excellent arrangements" made for this (PMC) meeting and was pleased with the progress of the meeting.

He said that the discussions between Dr. Mahathir and Baker, which lasted for about 45 minutes, were general in nature and touched on other regional and international matters as well.

## EC's Partial Farm Liberalization Plan Opposed

*BK2307043791 Bangkok THE NATION in English 23 Jul 91 p B22*

[Text] Kuala Lumpur—ASEAN will today tell its dialogue partners that it remains firmly opposed to a European Community proposal for some protectionist barriers and subsidies to be increased as part of a world agricultural trade liberalization package.

Officials say ASEAN's objection to any increase in farm trade protection will be conveyed to each of the group's dialogue partners—the United States, Canada, the EC, Japan, Australia, New Zealand and South Korea—during separate consultations on a wide range of economic, political and security issues scheduled for today.

The main target of ASEAN's position will be the EC, which argues that it can only lower its agricultural trade barriers and subsidies if it is allowed to "rebalance" its programmes.

This would involve raising protection and support currently set at low levels to match measures that are cut from high levels, with the possibility that restrictions on quantities might be retained despite calls from the United States and the Cairns Groups for quotas and import bans to be replaced by tariffs.

On the first day of ASEAN's post ministerial meeting consultations with its dialogue partners yesterday, top EC officials sought to assure the Southeast Asians that proposed reforms to the EC's Common Agricultural Policy will help stabilize world agricultural markets.

ASEAN's position echoes a call issued by the Cairns Group of 14 agricultural exporting nations—including Thailand, three other ASEAN members, and Australia, New Zealand and Canada—at their meeting in Brazil earlier this month.

The Cairns Group urged the developed world, particularly the Group of Seven (G-7) richest industrial countries who held a summit meeting in London last week, to end the dispute over farm subsidies and protection as soon as possible in order to bring the Uruguay Round of multilateral trade negotiations to a successful conclusion by the end of this year.

Agriculture is the most contentious issue in the deadlocked Uruguay Round, which was launched in 1986 under the auspices of the General Agreement on Tariffs and Trade (GATT) and should have been completed last December. Central to the dispute are arguments about the proposed size of cuts in protection and support, and about the EC's insistence on rebalancing.

The United States and the Cairns Group are seeking a radical reduction in farm protection and support. The EC, some other West European countries, Japan and South Korea insist on more moderate reforms in order to keep their farmers in business and secure regular food supplies.

ASEAN argues that the EC's proposal to allow rebalancing contradicts the effort to liberalize global trade. ASEAN officials say the EC should drop the idea as part of the give-and-take of the negotiations.

"We realize that agriculture is not the only issue that is important in the GATT talks, but that such issues as market access, textiles and clothing, and services are equally significant. The dispute should be brought to an end quickly," said a Thai official.

In ASEAN, Thailand and Malaysia take an active interest in the agricultural negotiations. Indonesia and the Philippines are also members of the Cairns Group, but the Philippines is more concerned about lowering trade barriers against tropical products and Indonesia about phasing out quotas that restrict trade in textiles and clothing.

Singapore is not an agricultural exporter and is therefore more interested in the Uruguay Round negotiations on services and other subjects. Brunei is not a member of GATT and does not participate in the talks.

At the end of their internal conference on Saturday, ASEAN foreign ministers jointly expressed their disappointment with the efforts being made to conclude the Uruguay Round. They called upon the developed countries "to exert the necessary political will to ensure that negotiations get underway in a purposeful manner to enable its early and successful conclusion."

They also called for comprehensive and balanced results in the GATT talks that would take into account the interests of all countries, particularly the development needs of the Third World.

ASEAN is expected to "note with satisfaction" today the commitment displayed by the G-7 leaders to be personally involved in the Uruguay Round so that it can end successfully this year or early next year. John Major, British prime minister and current G-7 chairman, pledged that G-7 leaders might if necessary meet again later this year to save the GATT talks.

ASEAN is also expected to call for leaders from the seven—the United States, Canada, Britain, Germany, France, Italy and Japan—to provide clear signals to the Uruguay Round negotiators in Geneva, where the talks take place, to enable constructive progress.

Addressing ASEAN's foreign ministers yesterday, Abel Matutes, EC commissioner for North-South relations, said the Community has proposed a set of price reductions, stricter quantity controls and compensation to its farmers through per-hectare or headage payment, as part of a reform of its Common Agricultural Policy.

"The Commission believes this new approach would lead to a more balanced agricultural sector in the European Community, a sector that is in harmony with the environment and that will contribute to a stabilization of world markets," Matutes said.

He also said ASEAN's share in the EC market is growing significantly, having doubled between 1975 and 1990.

## ROK Foreign Minister Stresses More Cooperation

*SK2307104791 Seoul YONHAP in English 1010 GMT 23 Jul 91*

[Text] Seoul, July 23 (OANA-YONHAP)—South Korea, in a first individual conference with the Association of Southeast Asian Nations (ASEAN) as a full-dialogue partner Tuesday, stressed expanding links in private sector.

South Korean Foreign Minister Yi Sang-ok, in his opening statement at the session, warned against complacency, saying "there are still enormous potentials to be explored and a great deal can be done by Korea and ASEAN toward mutual benefit and common prosperity."

"In this context, the agreement to expand the scope of joint projects to cover development cooperation, transfer of technology and human resources development is timely and appropriate," he was quoted as saying in a report to the Foreign Ministry here from Kuala Lumpur.

"Participation by the private sector in the (ASEAN-South Korea) dialogue will add impetus to identifying more business opportunities and to expanding links between Korean and ASEAN private sectors," he said.

The afternoon session followed the second-day Post-Ministerial Conference (PMC) of six ASEAN members and their seven dialogue partners.

Participating nations reached a general agreement that ASEAN should strengthen political and security cooperation ties while the Asia-Pacific Economic Cooperation (APEC), whose members are the same as ASEAN, should be developed into an economic forum.

The participants also agreed that a security arrangement such as the Conference on Security and Cooperation in Europe (CSCE) or the Soviet-proposed pan-Asian security cooperation are inappropriate to the region and that they must seek an alternative.

A highly-placed South Korean official attending the ASEAN conference said Seoul is officially against establishing a new security arrangement but plans to participate actively in multilateral security talks through the ASEAN post-ministerial conference.

South Korea will carefully consider Japan's proposal for regular senior officials' meeting on security issues, he said, taking note of opinions within ASEAN members.

The official made clear that Seoul is opposed to including the Korean problems in the PMC agenda and making it an international issue. South Korea hopes instead to share candid talks within the PMC so that other nations can get the picture of the situations in and around Korea, he said.

Foreign Minister Yi stressed in his remarks at the ministerial conference that resolutions to regional conflicts, including those on the Korean peninsula, are prerequisites to peace in the Asia-Pacific region.

He requested ASEAN cooperation in urging North Korea to link it's recent attitudinal changes, such as its decisions to join the United Nations and resume inter-Korean talks, to real, fundamental policy changes.

## Japan

### Kaifu Reports to Cabinet on London Summit

*OW2307045591 Tokyo NHK General Television Network in Japanese 0300 GMT 23 Jul 91*

[Text] Prime Minister Kaifu gave a report at today's cabinet meeting on the just concluded London Summit, the meeting of leaders of the advanced countries, saying that the summit has further taken on a political rather than economic character.

In his report, Prime Minister Kaifu said that in the beginning, the summit was an economic summit, and rapid economic growth without inflation was a major issue. However, in the last summit, politics, human rights, environment, and other issues gained more importance.

Prime Minister Kaifu also said that Japan's proposal on controlling arms export was accepted, and a UN registry system for international arms transactions has been agreed upon, thus enhancing the United Nations' functions. On the issue of aid to the USSR, the Japanese view that full-fledged financial aid should be put off was accepted. The emphasis in the summit has begun to shift from economic to political issues. He said that the summit is evolving from an economic summit to a summit with stronger political colors, where the political strategy of the West as a whole is discussed.

### Japan-U.S. Auto Talks Begin

*OW2307022691 Tokyo KYODO in English 0157 GMT 23 Jul 91*

[Text] Tokyo, July 23 KYODO—Japan and the United States began two-days of trade talks Monday morning, with the top issues being the auto and auto parts trade deficit, currently in Japan's favor, and U.S. demands for increased access to the Japanese markets.

The United States has criticised Japan over what it asserts are unnecessarily complicated import procedures; for the "Keiretsu" ties that exist between large company groupings, and over auto parts prices which the Commerce Department alleges are unfairly high, serving to block car and auto parts imports.

According to U.S. figures, of the present approximately 40 billion dollar trade deficit with Japan, 20 billion dollars are auto-related and 10 billion dollars are related to auto parts.

But the Ministry of International Trade and Industry (MITI) has defended its import testing and inspection requirements, which lie at the heart of the trade dispute, on the grounds that they are essential from the environmental standpoint, citing differences in car exhaust emission limits.

Referring to the auto parts issue, the ministry has described the research conducted by the U.S. as fundamentally "biased."

The auto parts issue was specifically cited by President George Bush in his meeting with Prime Minister Toshiki Kaifu earlier this month.

The meeting represents the semiannual follow-up discussions of the market-oriented sector-selective (MOSS) negotiations, held this time at the MITI headquarters.

U.S. Undersecretary of Commerce for International Trade, Michael Farren, will lead the U.S. negotiating team, and Noboru Hatakeyama, MITI's vice minister for international affairs, heads the Japanese team.

### Tanabe Wins SDP Leadership Election

*OW2307045491 Tokyo KYODO in English 0427 GMT 23 Jul 91*

[Text] Tokyo, July 23 KYODO—Makoto Tanabe won Tuesday the leadership of Japan's largest opposition party, the Social Democratic Party (SDP), in an election by the party's 120,000 rank-and-file members.

Tanabe, 69, currently a vice chairman and a leader of the party's right wing, will succeed Takako Doi, 62, as head of the SDP's leadership body, the Central Executive Committee.

Tanabe's election will be approved at an extraordinary party convention set for July 30-31, party officials said. He will be the 11th leader of the party, founded through the merger of two socialist parties in 1955.

Doi, who became the first woman to head a major Japanese political party in 1986, is resigning to take responsibility for the party's defeat in nationwide local elections in April.

Although he gained the backing from all corners of the party, Tanabe narrowly defeated rival candidate Tetsu Ueda, 63, a center-leftist. The margin was far slighter than earlier expected, political watchers said.

He also gained support from Rengo, whose almost eight million members make it the country's largest labor organization and the SDP's main base of support.

Votes were counted Tuesday at party prefectural headquarters across the country.

An estimated 120,000 full and associate party members voted Sunday and Monday across the country, except in the large but thinly populated prefecture of Hokkaido, where voting was held Saturday and Sunday to allow extra time to collect ballots. Voter turnout was estimated at 70 percent.

The 13-day election campaign, which ended Saturday, focused on a party reform plan, drafted by a committee headed by Tanabe, which recommends softening the SDP's opposition to the existence of the Self-Defense Forces (SDF).

Ueda, a fifth-term member of the Diet's powerful lower chamber, argued for defending the pacifist Constitution, charged during the campaign that the reform plan would lead to virtual recognition of the Self-Defense Forces (SDF) and the Japan-U.S. Security Treaty.

Ueda, a onetime union leader at Japan Broadcasting Corp. (NHK) during his former career as a journalist, declared he decided to run to counter moves to revise the SDP's policy of strictly upholding the Constitution.

A 10th-term veteran member in the House of Representatives, Tanabe insisted during the campaign that his reform proposals merely acknowledge current realities, and do not necessarily constitute recognition of the SDF or support for its expansion.

The party has traditionally maintained that both the SDF and the treaty violate the Constitution, which renounces "the threat or use of force as a means of settling international disputes" and says "land, sea, and air forces...will never be maintained."

During the campaign Tanabe said the SDP should go all out to set up a two-party system, which he argued would enable the SDP to seize power from the ruling Liberal Democratic Party (LDP).

Tanabe, who until recently led the SDP's largest intraparty group, Suiyokai, was first elected to the House of Representatives from Gunma Prefecture, north of Tokyo, in 1960. He has been returned to the house nine times since.

Tanabe served as secretary general under Doi's predecessor, Masashi Ishibashi, between 1982 and 1986. He has been a party vice chairman since April 1990.

He led a party delegation last September to North Korea, together with LDP strongman Shin Kanemaru who headed a separate team.

At that time, the SDP, LDP and North Korea's ruling Korean Workers Party issued a joint declaration urging the Governments of Japan and North Korea to establish diplomatic ties.

### Vows To Win Party Support

*OW2307100591 Tokyo KYODO in English 0732 GMT 23 Jul 91*

[Text] Tokyo, July 23 (KYODO)—Makoto Tanabe on Tuesday won the leadership of Japan's largest opposition party, and immediately declared he will press forward with efforts to gain full party support for contentious reforms of the Social Democratic Party.

Tanabe, 69, a 10th term veteran parliamentarian, beat rival candidate Tetsu Ueda, 63, by a nearly 6-4 margin, in a vote taken among the party's 120,000 rank-and-file members. Votes cast Sunday and Monday were counted Tuesday.

According to the final tally, Tanabe received 46,363 votes (56.04 percent) against Ueda's 36,358 (43.95 percent).

Tanabe's margin of victory was much narrower than many political analysts had forecast, given the preelection endorsement he received from all party factions and also from Rengo, whose almost eight million members make it the country's largest labor organization and the SDP's main base of support.

Tanabe has been a leader of the party's right wing, while Ueda is viewed as a center-leftist.

Amid a celebration at his campaign headquarters in Tokyo, Tanabe expressed thanks to his supporters, whose help proved crucial in the close election.

In an interview with reporters, Tanabe noted the close vote and indicated that the party reform plan worked out last month by a committee he headed "has not yet gained full support from the whole party."

Tanabe said he "will make best efforts to gain an all-party accord" on the plan, which calls for "gazing directly at the existence of the Self-Defense Forces."

But Tanabe quickly vowed to defend Japan's pacifist Constitution while paying new heed to certain realities.

Tanabe will succeed Takako Doi, 62, as head of the SDP's leadership body, the central executive committee.

Tanabe's election will be approved at an extraordinary party convention set for July 30-31, party officials said. He will be the 11th leader of the party, founded through the merger of two socialist parties in 1955.

Doi, who became the first woman to head a major Japanese political party in 1986, is resigning to take responsibility for the party's defeat in nationwide local elections in April.

Votes were counted Tuesday at party prefectural headquarters across the country.

An estimated 120,000 full and associate party members voted Sunday and Monday across the country, except in the large but thinly populated prefecture of Hokkaido, where voting was held Saturday and Sunday to allow extra time to collect ballots. Voter turnout was 71.7 percent.

The 13-day election campaign, which ended Saturday, focused on the party reform plan, drafted by Tanabe's committee, which recommends softening the SDP's opposition to the existence of the SDF.

Ueda, a fifth-term member of the Diet's powerful lower chamber, campaigned against the plan, arguing that accepting the reforms meant abandoning the Constitution.

He charged the reforms would lead to virtual recognition of the SDF and of the Japan-U.S. Security Treaty.

Ueda, a one-time union leader at Japan Broadcasting Corp. (NHK) during his former career as a journalist, said he decided to run to counter moves to revise the SDP's policy of strictly upholding the Constitution.

Tanabe insisted during the campaign that his reform proposals merely acknowledge current realities, and do not necessarily constitute recognition of the SDF or support for its expansion.

The party has traditionally maintained that both the SDF and the treaty violate the Constitution, which renounces "the threat or use of force as a means of settling international disputes" and says "land, sea, and air forces ... will never be maintained."

During the campaign Tanabe said the SDP should go all out to set up a two-party system, which he argued would enable the SDP to seize power from the long ruling Liberal Democratic Party (LDP).

Tanabe, who until recently led the SDP's largest intraparty group, Suiyokai, was first elected to the House of Representatives from Gunma Prefecture, north of Tokyo, in 1960. He has been returned to the house nine times.

Tanabe served as secretary general under Doi's predecessor, Masashi Ishibashi, between 1982 and 1986, and has been a party vice chairman since April 1990.

He led a party delegation last September to North Korea, together with LDP strongman Shin Kanemaru who headed a separate team.

At that time, the SDP, LDP and North Korea's ruling Korean Workers Party issued a joint declaration urging the Governments of Japan and North Korea to establish diplomatic ties.

### 'News Analysis' of Challenges

*OW2307070191 Tokyo KYODO in English 0537 GMT 23 Jul 91*

["News Analysis" by Jocelyn Ford: "New Opposition Leader Tanabe Faces Uphill Battle"]

[Text] Tokyo, July 23 KYODO—For veteran parliamentarian Makoto Tanabe, his election Tuesday as chairman of the leading opposition party is a bitter-sweet prize capping his 30-year career.

Faced with sinking public support ratings and strife within the Social Democratic Party (SDP), the 69-year-old son of a Christian social worker has promised to pluck his beleaguered party from its latest crisis by restructuring dated socialist policies to match the post-cold war mood.

Political analysts say, however, that a surprisingly strong showing by center-left candidate Tetsuo Ueda in the two-way chairmanship race is likely to force the reform-minded socialist leader to tone down his plans for innovative change.

Tanabe's uncertain party mandate could also hamper moves to reap a political bonanza from Japan's latest scandal—a budding stock scam that promises soon to spill over into political circles.

While the public will look to the SDP, renamed from the Japan Socialist Party earlier this year, to press for a full-scale investigation of the embryonic stock scandal, Tanabe may be hard pressed to meet expectations.

A straight-laced champion of the little guy, the new chairman is unlikely to have benefited personally from the activities of securities vendors who offered compensation payments to their major investors who suffered losses in the stock and bond market.

But a thorough expose of the scandal could be thwarted by powerful labor groups that form the financial backbone of the SDP, as they may well number among the major beneficiaries of the unethical practice, political analysts said.

It was this same traditional bastion of SDP support that voiced ardent opposition to the party's new positions on defense, which were unveiled last month by Tanabe, who spearheaded the committee on party reform.

Tanabe tried to soften opposition to the existence of the Self-Defense Forces in an apparent bid to match a shift in public opinion toward favoring a peaceful overseas role for the military, says Minoru Nakano, a political scientist and professor at Meiji Gakuin University.

Tanabe is a long-time advocate of cultivating more congenial relations with the Liberal Deocratic Party, which he says are needed to produce a weightier impact on policymaking.

But resistance among party stalwarts caught up with Tanabe in the 13-day party election campaign, during which Ueda stridently accused him of abandoning the "peace" constitution that has long served as the party banner.

Tanabe's ability to deliver on other sticky issues, such as controversial political reform and formation of a U.N. peacekeeping team, could also be a make-or-break matter for not only Tanabe, but also the SDP, political watchers said.

In upcoming parliamentary debate, Tanabe will also be hard pressed to come up with an alternative to the LDP's plan for political reform.

The Social Democrats have opposed the government's proposal to replace multiseat constituencies with single-seat units, claiming that such a revision would favor the ruling party.

The tasks awaiting Tanabe as he enters his fourth decade as representative from Gunma Prefecture, north of Tokyo, are a stark contrast to the agenda that once propelled him into the political world.

A former labor unionist, Tanabe decided on a career in politics in order to continue the work of his father, Kumazo Tanabe, a dedicated social worker who devoted his scarce financial resources to care of the elderly.

As a fresh face in the halls of parliament in the early 1960s, Tanabe pushed for more generous social welfare programs for a nation still in the process of recovery.

The party soon discovered he had a knack for deal-making, a skill Tanabe honed as the SDP's leading strategist in the legislature, where he cultivated close ties with LDP kingpin Shin Kanemaru.

The long relationship culminated last year in Tanabe accompanying Kanemaru on a historic trip to North Korea, a visit that paved the way for government negotiations on the establishment of diplomatic relations.

As SDP secretary general, Tanabe learned to manage the enduring standoff between the left-leaning and right-leaning factions of the party that has constantly threatened to paralyze the SDP since its formation through a merger of the two divergent streams in 1955.

Indeed, striking a balance between contrary views seems to have come naturally to Tanabe, a Christian who came of age in an era when the authorities demanded obeisance to the emperor.

As a young military recruit, Tanabe was once reputedly asked to declare which he considered superior, God or the emperor of Japan.

The emperor is the highest being on Earth, the young Tanabe is said to have replied, but God holds a higher place in his heart.

Now, political waters say his balancing act may face its most severe test yet.

If Tanabe fails to successfully lead the party into the post-cold war arena, the premier opposition party may find that it has become passe, says political commentator Minoru Morita.

Unlike his predecessor, the popular Takako Doi, whose charismatic appeal helped win votes from millions of non-party members, Tanabe does not present a compelling public image.

In front of large audiences, the pencil-thin grandfather comes across more as a plodding preacher than a persuasive philosopher as he peers at his audience through old-fashioned teacher's spectacles.

A disastrous defeat in next year's polls for the House of Councillors, the less influential body in the bicameral parliament, could even spell the end of the SDP itself, Morita said.

In the event of a major election loss, the abrasive factions could split, rendering them too weak to effectively oppose the LDP, Morita said.

## Further Actions, Reactions to Stock Scandal

### Exchange President To Testify

*OW2307105191 Tokyo KYODO in English 0746 GMT 23 Jul 91*

[Text] Tokyo, July 23 (KYODO)—Minoru Nagaoka, president of the Tokyo Stock Exchange, will be summoned to testify before a lower house committee Thursday about the recent stock scandals, parliamentary officials said Tuesday.

The officials said the decision was made by House of Representatives Finance Committee leaders from both ruling and opposition parties.

Nagaoka, however, will be summoned as an "unsworn witness," a status making him immune from possible prosecution on perjury charges, the officials said.

The committee will hold a session Thursday to discuss the stock scandals involving Japan's big four brokerages that has rocked the securities industry.

The securities firms—Nomura, Nikko, Yamaichi, and Daiwa Securities—came under fire for paying a huge amount of money to favored corporate clients to make up for investment losses. Nomura and Nikko were also accused of having links with underworld crime syndicates.

The parliamentary officials said the committee decided to seek Nagaoka's testimony in response to the opposition's demand after the ruling Liberal Democratic Party spurned opposition earlier demand that Setsuya Tabuchi, former chairman of Nomura Securities Co., be summoned to testify as a sworn witness.

### LDP Leader Urges Review

*OW2207164191 Tokyo KYODO in English 1445 GMT 22 Jul 91*

[Text] Fukuoka, July 22 KYODO—Ruling Liberal Democratic Party (LDP) Faction Leader Hiroshi Mitsuzuka, head of the second largest group in the party, Monday called for a full investigation into the scandals sweeping Japan's securities industry.

Mitsuzuka told reporters here that the scandal is something that cannot be overlooked by politicians and the ruling party should not leave the investigation unresolved.

He also indicated the Diet should summon witnesses on the securities scandal if necessary.

According to the Finance Ministry, Japan's four major securities companies paid a total of about 124.6 billion yen to 229 client corporations to make up for their investment losses.

Opposition parties also demanded Monday that Setsuya Tabuchi, former chairman of Nomura Securities Co., and former vice chairman Yoshihisa Tabuchi, be summoned to testify about the scandal.

Keigo Ouchi, chairman of the Democratic Socialist Party, said the next Diet session to open August 5 will focus on the summoning of the witnesses to testify on the brokerage scandal.

He also indicated that he may call Prime Minister Toshiki Kaifu and Finance Minister Ryutaro Hashimoto to account for the scandal.

Meanwhile, Mitsuzuka, regarding the faction's approach to the LDP presidential election, said the group will make a final decision at its meeting in fall.

Mitsuzuka also plans to visit South Korea on August 23 and 24 and meet South Korean President No Tae-u.

### Ochi on Effect of Scandals

*OW2307065391 Tokyo KYODO in English 0400 GMT 23 Jul 91*

[Text] Tokyo, July 23 KYODO—Michio Ochi, director general of the Economic Planning Agency, warned Tuesday that recent scandals in the Japanese securities industry could dampen corporate investment in plants and equipment.

This could result if the scandals weaken investor confidence in the securities market and affect corporate fund-raising activities, Ochi told reporters.

A prolonged slump in stock prices could also lead to a decline in bond prices and eventually to an increase in long-term interest rates, Ochi said.

Ochi added that the Bank of Japan is unlikely to reduce the official discount rate again, following its 0.5 percentage point cut, to an annual 5.5 percent, on July 1.

### Chino Named New Vice Minister for Finance

*OW2307062791 Tokyo KYODO in English 0355 GMT 23 Jul 91*

[Text] Tokyo, July 23—Tadao Chino, head of the Finance Ministry's International Finance Bureau, will replace Makoto Utsumi as vice minister for international affairs, ministry officials said Tuesday.

The personnel change, coinciding with Utsumi's retirement, will come into effect as of Wednesday.

Chino, 57, a Tokyo Unversity graduate, joined the ministry in 1960. He has held his present post since July 1989.

Yuichi Ezawa, 52, deputy director of the International Finance Bureau, will take over Chino's seat.

### New Registration Proposed for Korean Residents

*OW2207144991 Tokyo KYODO in English 1231 GMT 22 Jul 91*

[Text] Tokyo, July 22 (KYODO)—The Justice Ministry on Monday outlined to Prime Minister Toshiki Kaifu the plans for a new alien registration system designed to end the controversial practice of fingerprinting Japan's resident Koreans.

The head of the ministry's Immigration Bureau, Kagechika Matano, briefing Kaifu on the proposed system, however, indicated that it will be a while before the new measures are expanded to include all foreign residents in Japan.

The practice of fingerprinting Japan's 680,000 Korean residents will be replaced by a system using a registrant's photograph, signature, and detailed family records.

The new system is in line with Kaifu's pledge this January on an official trip to Seoul to abolish the fingerprinting practice and improve the status of Japan's Korean minority.

Matano stressed improving the status of the Koreans in Japan but remarked the ministry is studying an expanded application of the new system and wants to reach a conclusion "by early fall" which would be later than originally forecast.

Ministry officials are considering a consistent standard in the clarity and specifications of the photographs for the new registrations.

The two methods under consideration are to let the registrants bring in their own photographs or to have them taken at immigration offices.

The ministry is also thinking about developing a new method to transfer photos onto alien registration cards.

It also plans to allot some 3 billion yen in next year's budget for the photographic and transfer equipment.

According to the ministry plans, the signature for the new registry will be the same as in the registrant's passport and the family records will include the names of parents and dependents in Japan, as well as the registrant's birthday and address.

Critics of the new system query how some of the first generation of workers originally brought from Korea before and during World War II will be able to provide proof of their parentage, while others cannot write the characters of their names.

Still, other people are calling for the requirement that the alien registration cards be carried at all times be abolished.

## North Korea

### Consoling Group To Go Despite South Rejection

*SK2307042791 Pyongyang Korean Central Broadcasting Network in Korean 0300 GMT 23 Jul 91*

[Telephone message sent by Chong Chun-ki, chairman of the Measure Committee for the Rescue of the Pastor Mun Ik-hwan and, Yo Yon-ku, chairman of the Korean Committee of Struggle for the Release of Yim Su-kyong, to Choe Ho-chung, minister of the South Korean National Unification Board, and Kim Ki-chun, South Korean justice minister, on 23 July—read by announcer]

[Text] Choe Ho-chung, minister of the ROK South Korean National Unification Board, and Kim Ki-chun, ROK justice minister

On 19 July, we notified your side that we would send a consolatory group of children and students to South Korea at 1000 on the morning of 25 July to console the student Yim Su-kyong, pastor Mun Ik-hwan, and other personages for reunification who have been detained after visiting Pyongyang.

The consolatory group of children and students includes those students who participated in the grand international march with the student Yim Su-kyong; those small children who, in the pastor Mun Ik-hwan's embrace, burst into tears when they found out that they could not send their letters to the South; and those children who sang and danced and did other cute things for the envoys of reunification. This shows that our consolatory group reflects the warm hearts of all the children and students on the northern half who love the South Korean envoys of reunification with fraternal sentiments.

Nevertheless, regrettably, your side had a spokesman for the National Unification Board assume the attitude of rejecting our visit under the unreasonable excuses that those whom we would like to console are detainees who violated the law and that we are trying pay this visit to destroy law and order.

As your side knows, visiting those who are detained and consoling them is a universal custom that is allowed any where and is a basic human right. Your side's attitude of ignoring and rejecting the proposal we advanced according to usage and basic rights cannot be justified.

If your side's intention of holding a grand reunification march is genuine, instead of blocking the path of our side's consolatory group, your side must open its doors and guarantee all the conveniences and conditions to ensure that our consolatory group of children and students visit South Korea, satisfactorily carry out their activities there, and return home.

Therefore, as we have notified your side, we will send a consolatory group of children and students for the student Yim Su-kyong to South Korea via Panmunjom at 1000 on the morning of 25 July.

We expect your side's affirmative measure.

Chong Chun-ki, chairman of the Measure Committee for the Rescue of the Pastor Mun Ik-hwan, and Yo Yon-ku, chairman of the Korean Committee of Struggle for the Release of Yim Su-kyong

Pyongyang, 23 July 1991

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### U.S. Nuclear Weapons Policy in South Discussed

*SK2207052591 Pyongyang KCNA in English 0502 GMT 22 Jul 91*

["Shameless Argument of Nuclear Maniacs"—KCNA headline]

[Text] Pyongyang July 22 (KCNA)—The U.S. President, secretary of state and other administration authorities said that they would not withdraw nuclear weapons from South Korea, contending that the weapons do not pose a threat to anyone as they are "a deterrent" to the "threat" of the North and they are not for war.

NODONG SINMUN today brands this as a shameless and preposterous logic of brigands.

The news analyst says:

The U.S. nuclear weapons in South Korea are not a "deterrent" but a means of nuclear war in fact as well as in name.

If the United States intend to deter somebody, it would not need as many as 1,000 pieces of nuclear weapons, still less need nuclear weapons for offensive use. In common sense, it is nonsensical to block "threat" of someone by nuclear weapons in such a narrow land as Korea.

The commander of the U.S. forces stationed in South Korea is endowed with the power to press the button of nuclear weapons and the U.S. imperialist warmaniacs openly declared that they would not hesitate to use nuclear weapons on the Korean peninsula. This irrefutably proves that the U.S. nuclear weapons deployed in South Korea are for an attack on the North.

This notwithstanding, the U.S. imperialists are crying over "threat" of someone and describing the nuclear weapons deployed in South Korea as a "deterrent" in an attempt to cover up their real purpose in deploying nuclear weapons in South Korea and their true color as nuclear warmaniacs. With such sophism they try to quell the public voices demanding the withdrawal of nuclear weapons.

Whatever artifice they may invent to keep their nuclear weapons in South Korea, it is in vain.

The United States should stop talking trash and take its nuclear weapons and troops out of South Korea.

### U.S. Forces Relocation Plan Termed 'Farce'

*SK2307064391 Pyongyang Korean Central Broadcasting Network in Korean 0025 GMT 23 Jul 91*

[NODONG SINMUN 23 July commentary: "U.S. Forces Should Return to Their Den"]

[Text] It recently was reported that the headquarters of the U.S. forces occupying South Korea and the puppet Defense Ministry agreed to relocate U.S. facilities, including the U.S. Forces-South Korea Combined Command and the 8th U.S. Army Command, from Yongsan, Seoul, to U.S. bases in the Osan and Pyongtaek areas by 1997.

This is another intolerable crime which runs counter to peace on the Korean peninsula and to the cause of peaceful reunification and which makes a mockery of our people.

As is known, the entire Korean people in the North, South, and overseas are now consolidating their firm resolution to achieve without fail the national reunification within the 1990's. In addition, they are demanding that the U.S. forces, which are a basic stumbling block to peace and the peaceful reunification of the country, be withdrawn from South Korea as soon as possible.

This notwithstanding, the U.S. imperialist aggressors will carry out over seven years, not withdrawal, but a farce of relocation. This once again clearly reveals their criminal attempt to permanently station U.S. forces and nuclear weapons in South Korea, while turning a deaf ear to public opinion.

In recent years, the South Korean people have cursed and displayed their wrath upon the U.S. imperialist aggressors, burnt the U.S. Stars and Stripes and the U.S. President in effigy throughout South Korea, attacked organizations of the U.S. aggression, and thrown firebombs onto the bases of the U.S. imperialist forces. By so doing, they have strengthened the anti-U.S. struggle.

By relocating from Seoul to local areas the U.S. bases, including the 8th U.S. Army Command, which have been a major target of attack by the South Korean people, the United States tries to cool the South Korean people's anti-U.S. sentiment and to continue to carry out military fascist rule over its colony. However, this is a foolish delusion.

The U.S. imperialists announced their plan to relocate the U.S. forces headquarters in Yongsan, Seoul, two years ago. They predicted that Taejon would be the chosen new site. However, before this plan was officially announced, they right there had to face the opposition of the people. Now, they decide on Osan and Pyongtaek areas as the proposed site. Will these areas be their resting place?

The demand of the South Korean people is that the U.S. forces and their nuclear weapons be withdrawn from South Korea. As long as the U.S. forces ignore the South Korean people's demand and try to remain in South Korea, they will find no place to rest.

In addition, the South Korean puppets' activities in connection with relocating the bases of the U.S. forces arouse the wrath of the South Korean people.

The South Korean puppets, who have been attempting to cling to the coattails of the U.S. forces and to prolong their remaining life under their protection, decided to pay all expenses required for relocating the U.S. forces bases from Seoul to local areas. In addition, they are running wild in propagandizing the so-called benefits that, if the U.S. forces bases are relocated, a traffic issue in the Yongsan area will be alleviated and the people will enjoy a larger area for leisure and culture.

After all, they are turning back from the road which leads to saving our nation from the holocaust of a nuclear war and to expediting the national reunification by withdrawing from South Korea the U.S. aggression forces, and this is a basic stumbling block to reunification and root of war. They are trying to station the U.S. forces by relocating their bases—what a contemptible activity!

The servile activities of the No Tae-u ring which stakes its fate on the U.S. imperialists, pays the expenses to relocate the bases, and begs them not to leave South Korea, show once again the dirty shape of the flunkeyists and traitors of the nation.

As long as the U.S. imperialists and the No Tae-u ring remain in South Korea as they are, peace and peaceful reunification cannot be realized.

The South Korean people will never relax the anti-U.S. and antipuppet struggle banner until they drive the aggression forces off the Korean peninsula and put an end to flunkeyist and traitorous regime.

The U.S. imperialists should clearly know that a place to rest for aggression forces is nowhere to be found in South Korea and should make an early return to their den by crossing the ocean.

### Daily Urges Withdrawal of U.S. Weapons, Troops

*SK2307111891 Pyongyang KCNA in English 1024 GMT 23 Jul 91*

["South Korean Authorities Must Demand, First of All, Pullout of U.S. Troops and Nuclear Weapons"—KCNA headline]

[Text] Pyongyang July 23 (KCNA)—The No Tae-u ruling group must make clear its stand for the withdrawal of U.S. troops and nuclear weapons, though belatedly, instead of fooling the fellow countrymen with a hypocritical empty talk about "peaceful reunification."

NODONG SINMUN today says this in a signed article titled "If They Want Peaceful Reunification, They Must Demand, First of All, Pullout of U.S. Troops and Nuclear Weapons".

Recalling No Tae-u's cry for the "holding of liberation day celebrations" under the "co-sponsorship" of the North and the South and for the solution of such problems as "humanitarian exchanges" and "settlement of peace", the author of the article says:

The problem is that the South Korean ruling quarters are paying lip-service to independent reunification and peaceful reunification for their insidious purpose, not having the least intention to achieve it.

They did not utter a word about the pullout of the U.S. troops and nuclear weapons, a fundamental question in ensuring peace on the Korean peninsula and achieving its peaceful reunification.

Such attitude of the puppets towards the U.S. imperialist aggression forces present in South Korea and their nuclear weapons vividly shows how hollow and preposterous their trumpeting about "independent reunification" and "peaceful reunification" is. What is most important in realising the independent and peaceful reunification of Korea is to get the U.S. imperialist aggressor troops and nuclear weapons withdrawn from South Korea and put an end to the U.S. imperialists' interference in the internal affairs of our country.

The South Korean rulers, however, are imploring for the continued presence of the U.S. imperialist aggression forces and nuclear weapons in South Korea, far from demanding their withdrawal from South Korea.

The South Korean authorities, who are not a signatory to the armistice agreement, are now styling themselves a "negotiation partner" responsible for replacing it with a peace agreement. In this, they seek the sinister purpose of keeping the aggression forces in South Korea by obstructing the replacement of the Korean armistice agreement by a peace agreement through negotiations between us and the United States and excusing the United States from the responsibility for the aggravation of tensions on the Korean peninsula.

Trumpeting about "settlement of peace" and "building of a peace system", the traitor No Tae-u is trying to create the impression that these are matters which can be solved between the North and the South. What he seeks in this is also to defend the U.S. troops' occupation of South Korea, excuse the United States from the responsibility for the aggravation of tensions on the Korean peninsula and find a pretext for the permanent occupation of South Korea by the U.S. troops.

The No Tae-u group is siding with the U.S. in pressuring the North to accept "nuclear inspection". In this it seeks the criminal purpose of keeping the U.S. imperialist aggressor troops and nuclear weapons in South Korea as they are.

Its opposition to the withdrawal of the U.S. troops and nuclear weapons from South Korea, precisely, means that it does not want peace and reunification.

The No Tae-u group must no longer commit a dastardly flunkeyist treachery to perpetuate the presence of the U.S. troops and nuclear weapons in South Korea, which is incompatible with peace and peaceful reunification.

### Group in Japan Issues Reunification Statement

*SK2107102691 Pyongyang KCNA in English 0810 GMT 21 Jul 91*

[Text] Tokyo July 19 (KNS-KCNA)—If the South Korean authorities are truly ready to improve North-South relations and have intention for reunification, they should respond to the DPRK's proposal for convening a political consultative conference for national reunification without delay and fully guarantee the opening of the second pan-national rally and the grand reunification festival of students, not resorting to the suppression of the pro-reunification democratic forces of South Korea while dreaming of "reunification through absorption" by clinging to the foreign forces.

Yi Chin-kyu, first vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), said this in a statement issued to the press on July 18 in support of the initiatives advanced by the DPRK for reunification.

Noting that the DPRK raised to the South side the proposals to hold the fourth round of the North-South high-level talks, convene a political consultative conference for national reunification, hold a preparatory meeting for a joint festival on the occasion of the August 15 liberation, the statement said that these proposals are very timely and realistic ones to remove misunderstanding and distrust between the North and the South, achieve national reconciliation and unity and open a bright road for national reunification.

It expressed the belief that all the political parties, organisations and public figures of South Korea would actively respond to the fair and aboveboard and realistic proposal of the DPRK side.

### Japanese Diet, Local Assembly Members Arrive

*OW2107135291 Tokyo KYODO in English 1252 GMT 21 Jul 91*

[Text] Tokyo, July 21 (KYODO)—A 350-member Japanese political mission flew into Pyongyang on Sunday for five days of talks with North Korean officials to help speed up the process of normalization of ties between the two countries.

The delegation was "met at the airport by Kim Yang-gon, chairman of the (North) Korea-Japan Friendship Association," North Korea's official Korean Central News Agency reported from Pyongyang.

The delegation includes 26 Diet members and 243 local assembly members from Japan's Ruling Liberal Democratic Party [LDP] and four opposition parties—the Social Democratic Party (SDP), Komeito, the Democratic Socialist Party, and the United Social Democratic Party.

The delegation is led by Hajime Ishii, an LDP member in the House of Representatives, who chairs the Diet members' League for the Promotion of Japan-(North) Korea Friendship.

While in Pyongyang, the Japanese mission will hold talks with officials of the Friendship Association, which is their host.

Ishii will separately meet Kim Yong-sun, secretary of the ruling Korean Workers Party (KWP), who is responsible for international affairs, Japanese mission officials said.

The visit follows a simultaneous announcement by both countries Saturday they will resume talks in Beijing in late August to establish diplomatic ties.

The delegation will meet North Korean officials to discuss, in addition to normalization, such issues as trade and economic exchanges, and improvement of the legal status of Korean residents in Japan.

Delegation members will also meet North Korean President Kim Il-song on Thursday, the officials said.

LDP strongman Shin Kanemaru spoke to the delegation at Tokyo International Airport before it left, saying he hopes the visit will help speed up negotiations to normalize relations.

Kanemaru, leader of the LDP's biggest faction, visited Pyongyang last September as head of an LDP mission, together with a separate mission from the SDP headed by its vice chairman, Makoto Tanabe.

At that time, the LDP, SDP, and the KWP issued a joint declaration urging the Governments of Japan and North Korea to start normalizations talks.

## Further on Delegation

*SK2107111491 Pyongyang KCNA in English 0842 GMT 21 Jul 91*

[Text] Pyongyang July 21 (KCNA)—A National Dietmen's League for the Promotion of Japan-Korea Friendship delegation flew here today.

The delegation consists of 350 Dietmen from different political parties, local assemblymen and personages of broad strata with Hajime Ishii, chairman of the league and Liberal-Democratic member of the House of Representatives, as its head; Yuzuru Shimazaki, secretary general of the league and Social Democratic member of the House of Representatives, as its secretary general; Hideo Den, vice-chairman of the league and member of the House of Councillors from the Social Democratic Federation, Fumio Abe, Liberal-Democratic member of the House of Representatives, Kogen Nosaka, vice-chairman of the league and Social Democratic member of the House of Representatives, and others as its deputy heads; and Masayoshi Takemura, vice-chairman of the league and Liberal- Democratic member of the House of Representatives, as the director of its secretariat.

It was met at the airport by Kim Yang-kon, chairman of the Korea-Japan Friendship Association, and Chong Sin-hyok, Kim Yong-ho and Kim Kuk-hun, vice-chairmen of the association, who are deputies to the Supreme People's Assembly (SPA), and Yi Chol-sin, vice-chairman of the association, and Nam Sun-hui, deputy to the SPA.

The delegation is accompanied by reporters from different press organs of Japan.

## Rally Welcomes Delegation 21 Jul

*SK2207061791 Pyongyang KCNA in English 0523 GMT 22 Jul 91*

[Text] Pyongyang July 22 (KCNA)—A Pyongyang rally was held at the People's Palace of Culture Sunday in welcome of the national delegation of the Dietmen's League for the Promotion of Japan-Korea Friendship headed by its Chairman Hajime Ishii on a visit to Korea.

Advisor to the DPRK-Japan Friendship Association Choe Mun-son, chief secretary of the Pyongyang Municipal Committee of the Workers' Party of Korea and chairman of the Pyongyang Municipal People's Committee, spoke first.

To improve the DPRK-Japan relations and get on friendly terms with each other is not only the common desire of the two peoples but also is of weighty importance in guaranteeing peace and security in Asia, Northeast Asia in particular, the speaker said, and continued:

The Korean people hope to get united with the Asian people including the Japanese people and make concerted efforts with them for the building of a free, peaceful and new Asia without nulcear weapons and aggression and war and for the development and prosperity of Asia.

If the two countries sincerely discuss the question of normalising the DPRK-Japan relations in conformity with the desire of the peoples from an independent stand, it will be possible to properly solve it in the spirit of the joint declaration of the Workers' Party of Korea [WPK], the Liberal Democratic Party and the Social-Democratic Party of Japan.

He expressed the expectation that the DPRK-Japan Friendship Association and the Dietmen's League for the Promotion of Japan-Korea Friendship will take this opportunity of making their bilateral relations closer and doing more things for the common interests of the two peoples and the normalisation of the DPRK-Japan relations in the future.

Chairman of the DPRK-Japan Friendship Association Kim Yang-kon, vice-director of a department of the WPK Central Committee, spoke next.

In the past, he said, the DPRK-Japan Friendship Association has established ties with the League and many dietmen and figures of various circles and made sincere efforts for solving the questions arising in the DPRK-Japan relations in conformity with the desire of the two peoples. In this course the relation between the two organisations have favorably developed.

Contributing to the promotion of the normalisation of DPRK-Japan relations and the development of the friendly and cooperative relations between the two peoples is an important task facing the politicians of the two countries.

Head of the delegation Hajime Ishii spoke next.

He noted:

I think it is an important question above all to build new good neighbourly friendly relations between Japan and the DPRK on the basis of Japan's reflection on the unhappy history forced on the Korean people in the past.

Ever louder voices demanding the normalisation of Japan-DPRK diplomatic relations are ringing out from Japan. The Tokyo Metropolitan Assembly and many other assemblies throughout Japan have adopted resolutions demanding the promotion of Japan-DPRK friendship.

The Dietmen's League for the Promotion of Japan-Korea Friendship reorganised itself with the Japan visit of the delegation of the Workers' Party of Korea as an occasion in February this year with a view to promoting the new relations between the two countries. Today the League has made a new start as the largest-in-scale dietmen's league in Japan.

The current visit of the delegation is the start of new activities and this will contribute to the development of Japan-DPRK friendship.

He wished good health and long life to the respected great leader President Kim Il-song and the eternal prosperity of Japan and the DPRK.

Meetings of various sub-committees on the DPRK-Japan relations were held by members of the DPRK-Japan friendship association and the Dietmen's League for the Promotion of Japan-Korea Friendship were present there.

The questions of the normalisation of DPRK-Japan relations, Koreans in Japan, economic exchange and trade between the DPRK and Japan and cultural and art, academic and sports exchanges between them were discussed there.

## Friendship Group, Delegates Talk

*SK2207112091 Pyongyang KCNA in English 1055 GMT 22 Jul 91*

[Text] Pyongyang July 22 (KCNA)—Talks between the delegation of the DPRK-Japan Friendship Association and the National Delegation of the Dietmen's League for the promotion of Japan-Korea friendship was held at the Mansudae Assembly Hall today.

Discussed at the talks were questions of further enhancing the roles of the DPRK-Japan Friendship Association and the Dietmen's league for the promotion of the Japan-Korea friendship and of developing relations between the two organisations.

Also discussed were matters of the normalisation of DPRK-Japan relations, the questions of Koreans in Japan, of economic and trade exchange and of cultural and art, academic and sports interchange between the two countries and a series of other matters.

Present on the Korean side were chairman of the DPRK-Japan Friendship Association Kim Yang-kon, vice-director of a department of the central committee of the Workers' Party of Korea; its Vice-chairmen Kim Yong-ho, vice-chairman of the Central Committee of the Korean Social Democratic Party, Kim Kuk-hun, president of the university of national economy, and Yi Chol-sin, vice-chairman of the Korean Society for Cultural Relations with Foreign Countries; and other officials concerned.

Present on the Japanese side were head of the delegation Hajime Ishii, chairman of the league and Liberal-Democratic member of the House of Representatives; secretary general of the delegation Yuzuru Shimazaki, secretary general of the league and Social Democratic member of the House of Representatives; deputy heads of the delegation Hideo Den, vice-chairman of the league and member of the House of Councillors from the Social Democratic Federation, Fumio Abe, Liberal-Democratic member of the House of Representatives, Senpachi Oishi, Liberal-Democratic member of the House of Representatives, Kogen Nosaka, vice-chairman of the league and Social Democratic member of the House of Representatives, Yukichi Haryu, member of the House of Councillors from the Komei Party, and Atsushi Kanda, vice-chairman of the league and Democratic Socialist member of the House of Representatives; director of the secretariat of the delegation Masayoshi Takemura, vice-chairman of the league and Liberal-Democratic member of the House of Representatives; and other members of the delegation.

The talks took place in a friendly atmosphere.

## Leaders Attend College Anniversary Meeting

*SK2307070491 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 15 Jul 91*

[Excerpts] A central report meeting to mark the 40th anniversary of the founding of a university-level factory college was held at the People's Cultural Hall on 15 July. [passage omitted]

The meeting was attended by Comrade Choe Tae-pok, alternate member of the Political Bureau of the Central Committee of the Workers Party of Korea [WPK] and secretary of the party Central Committee; Comrade Chang Chol, vice premier of the Administration Council; Choe Ki-yong, chairman of the Education

Committee; Kim Won-chin, chairman of the Agricultural Committee; Kim Pil-hwan, minister of mining industry; Kim Ki-yong, minister of coal industry; and other functionaries concerned with teachers and students of university-level factory colleges across the country. The meeting began with the playing of the "Song of General Kim Il-song." Comrade Chong Chol made a commemorative report at the meeting. [passage omitted]

## KCNA Review of 22 Jul NODONG SINMUN

*SK2207051491 Pyongyang KCNA in English 0446 GMT 22 Jul 91*

[Text] Pyongyang July 22 (KCNA)—NODONG SINMUN today carries a photo-illustrated report that President Kim Il-song of the Democratic People's Republic of Korea met with His Royal Highness Samdech Norodom Sihanouk, chairman of the Supreme National Council of Cambodia, on a visit to Korea.

Conspicuous in the daily are an account of a banquet given by President Kim Il-song in honor of His Royal Highness Samdech Norodom Sihanouk, speeches of President Kim Il-song and Samdech Norodom Sihanouk at the banquet and reports about a music and dance performance given for the Samdech and about a banquet arranged by the Samdech.

According to the daily, works of the great leader President Kim Il-song were reported in different countries.

Conveyed in the daily are voices of South Korean people who are looking up to and following President Kim Il-song as the lodestar of national reunification.

Ex-President of the Republic of Portugal Francisco da Costa Gomes stressed that President Kim Il-song is the best politician in the world, says the daily.

It runs an article entitled "Socialist Democracy of Our Style Is True Democracy for the People".

It informs the readers that thanks of the Central Committee of the Workers' Party of Korea was conveyed to fishermen of the angle fishing net boat No. 1085 of the Chongju fishery station who are effecting innovations in the the production of aquatic products.

The daily introduces barrages in the Taedong River which prevent flood damages in the basin of the river in the rainy season.

It is reported in the daily that a 350-member national delegation of the Dietmen's League for the Promotion of Japan-Korea Friendship arrived in Pyongyang, a meeting was held in Pyongyang to welcome the delegation and the DPRK-Japan Friendship Association arranged a banquet for the delegation.

The daily informs the readers of the good results scored by Korean players at the 16th Universiad.

The daily runs a commentary denouncing Chon Tu-hwan and other hardcore elements of the "Fifth Republic" for recently scheming to worm their way into political circles in South Korea.

It reports that leading officials of organisations of the General Association of Korean Residents in Japan (Chongnyon) issued statements to the press in support of the DPRK's proposals for national reunification, the representative of the South Korean National Democratic Front (Hanminjon) to Syria called a press conference and denounced the No Tae-u ruling group's fascist suppression of patriotic democratic forces and NEW KOREA TIMES, a newspaper of overseas Koreans published in Canada, condemned the South Korean authorities for obstructing the reunification movement and suppressing its champions.

The daily carries the second part of an article exposing the "Security Planning Board", a den of anti-communist plot-breeding and repression.

The South Korean puppets are trying to introduce 20 Hawk training planes from Britain, says the daily.

It comes out with a commentary lambasting the shameless sophism of U.S. Government authorities meant to keep nuclear weapons in South Korea.

The daily conveys world public voices expressing solidarity with the Korean people in their struggle for the reunification of the country on the occasion of the June 25-July 27 month of anti-U.S. joint struggle.

International news columns of the press include reports that Comrade Fidel Castro stressed the need to build a free and united Latin America at the first Iberian-American summit, the Mexican president called for expanding trade and economic cooperation among the countries in the Latin American region, a Central American state summit was held and the ASEAN foreign ministers conference published a statement on the Cambodian issue.

An article of the daily says that Central American countries are recently exploring the way of accelerating socio-economic development and peace process in the region.

The paper discloses scandals of the family members of the U.S. President.

## KCNA Review of 23 Jul Pyongyang Press

*SK2307062091 Pyongyang KCNA in English 0500 GMT 23 Jul 91*

[Press review]

[Text] Pyongyang July 23 (KCNA)—Papers here today carry a message of greetings sent by President Kim Il-song of the Democratic People's Republic of Korea to Muhammad Husni Mubarak, president of the Arab

Republic of Egypt, on the occasion of the 39th anniversary of the July 23 revolution of the Egyptian people.

Conveyed in NODONG SINMUN is news that the U.S.-Korea news published by the U.S.-KOREA News Service gave wide publicity to a report about the great leader President Kim Il-song's guidance to different domains.

The paper reports that President Kim Il-song received a message from 'Umar Hasan Ahmad Al-Bashir, president of the Command Council of the Sudanese National Salvation Revolution, in reply to his message of greetings sent to the latter on the second anniversary of the day of revolution of the Sudan.

Printed in the paper is a letter of thanks to President Kim Il-song sent by Hun Sen, prime minister and member of the Supreme National Council of Cambodia, upon leaving Pyongyang.

The paper says President Kim Il-song has victoriously paved out the road of the revolution with the might of singlehearted unity, firmly believing in the strength of the popular masses, the strength of the working class, and closely uniting them.

The work of the dear leader Comrade Kim Chong-il "Our Socialism for the People Will Not Perish" was studied and disseminated in different countries, says the paper.

MINJU CHOSON carries an article dealing with the wise guidance of Comrade Kim Chong-il in streamlining the production process of the Supung power station.

NODONG SINMUN comes out with a political essay on the proud appearance of the Korean young people who volunteered to the difficult and toilsome posts of socialist construction at the call of the party and are displaying their wisdom and valor.

Econews of the press includes reports about thoroughgoing measures taken in rural communities to prevent damages from rain and storm.

Given in the press are an account of a meeting marking the 45th founding anniversary of the Democratic Front for the Reunification of the Fatherland and a statement of the spokesman of the Committee for the Peaceful Reunification of the Fatherland regarding the proposal of the South Korean authorities to hold a preparatory meeting at Panmunjom on July 20 to discuss the matter of holding a "grand unification march".

Papers inform the readers that the Kumbyol joint venture company to be run by the Pyongyang metal building materials factory and the Osaka federation of traders and industrialists under the General Association of Korean Residents in Japan (Chongnyon) was commissioned.

It is reported in the press that talks between the delegation of the DPRK-Japan Friendship Association and the national delegation of the Dietmen's League for the Promotion of Japan-Korea Friendship were held, an agreement on cooperation in information was signed between the Korean and Nigerian Governments and a plan of cooperation was signed between Korea and Mongolia.

South Korean news columns of the press include a report that U.S. imperialist aggressors committed a group assault on South Korean inhabitants.

In a commentary NODONG SINMUN warns that the United States had better go home across the ocean at an early date, not resorting to a petty trick to lull the South Korean people's anti-U.S. sentiments and maintain its colonial military fascist rule by transferring from Seoul to local areas its military bases including the Eighth Army Command.

The paper comes out with an article titled "If They Want Peaceful Reunification, They Must Demand, Above All, Pullout of U.S. Troops and Nuclear Weapons"

Conveyed in the paper are world public voices supporting the joint statement of the political parties and public organizations of the DPRK.

World public circles are demanding the United States withdraw its troops and nuclear weapons from South Korea on the occasion of the month of anti-U.S. joint struggle says the press.

According to NODONG SINMUN, the secretary general of the C.C [Central Committee], Communist Party of Portugal expressed satisfaction over the results of his visit to the DPRK and other Asian countries and the Iranian president referred to the economic affairs of his country.

Papers observe the 39th anniversary of the July 23 revolution of the Egyptian people.

NODONG SINMUN carries a travelogue on China under the tile "Among Kin People".

## South Korea

### Proposal To Attend Meeting Rejected by North

*SK2307095791 Seoul YONHAP in English 0936 GMT 23 Jul 91*

[Text] Seoul, July 23 (OANA-YONHAP)—South Korea Tuesday urged North Korea again to send delegates to a preparatory meeting on Friday to discuss joint celebration of the national liberation day on Aug. 15, including a "Unification Pilgrimage." The renewed offer again met with a cold refusal.

Kim Chang-sik, chairman of the South Korean Preparatory Committee for the pilgrimage, urged in a telephone message sent to Yun Ki-pok, vice chairman of the North Korean committee for the peaceful reunification of fatherland, that North Korea accept the South's call for the holding of a preparatory meeting at Panmunjom Friday if it really meant to have joint celebrations on Aug. 15.

Kim charged that North Korea's designation of a particular organization in South Korea as its sole partner for such a meeting was tantamount to an act of ignoring the principle of mutual respect.

Kim had proposed to North Korea Saturday to hold a meeting on July 26 to discuss the cross-country reunification pilgrimage.

North Korea has said it would send delegates to Seoul Wednesday only to have talks with the South Korean-side organizers of a "pan-national rally," a dissident-led gathering of representatives from South, North Korea and Overseas Korean communities which has already been outlawed by the South Korean authorities.

A spokesman for the North Korean Committee for the Peaceful Reunification of Fatherland reiterated its decision not to attend Friday's preparatory meeting labeling it "a deliberate scheme to break up the pan-national rally," according to North Korean radio reports monitored Tuesday by NAEWOE press, Seoul's official watcher of communist affaires.

## Travel Services Contacting North for Travel

*SK2207123691 Seoul THE KOREA ECONOMIC JOURNAL in English 22 Jul 91 p 29*

[Text] Lotte Travel Service, Aju Tourist Service and one or two more Korean travel agents reportedly have been contacting with travel agencies in North Korea in a bid to develop inter-Korean tourist services, mostly for Koreans living abroad and foreigners, informed sources said.

If both sides successfully develop joint inter-Korean travel services, such tourist projects would attract annually about 30,000 to 40,000 tourists, mostly Korean residents abroad and foreigners, the sources predicted.

The North Korean side is most likely to accept the Seoul-side proposal for joint inter-Korean tourist services, the sources predicted.

In order to support such efforts, the government reportedly is reviewing a plan for the Justice Ministry to open an office of customs, immigration and quarantine (CIQ) in Panmunjom.

The government reportedly plans to work out inter-Korean tourist guidebooks for stepped-up publicity activities through the overseas networks of the Korea National Tourism Corporation and Seoul-based travel agencies, the sources added.

## Proposal Issued To Resume Talks With North

*OW2307070091 Tokyo KYODO in English 0610 GMT 23 Jul 91*

[Text] Seoul, July 23 KYODO—South Korea on Tuesday proposed resuming sports negotiations with North Korea on August 6 at the truce village of Panmunjom to discuss various pending issues.

In a message to chief North Korean negotiator Kim Hyong-chin, his opposite number in South Korea, Chang Chung-sik, suggested the two sides take up such issues as deciding on a joint team for next year's Barcelona Olympics in the talks to be held on the North Korean side of the Demilitarized Zone.

As a more immediate task, both sides need to work out the matter of sending unified teams to next month's two international table tennis competitions in China and Japan, Chang said.

Regularizing of inter-Korean soccer competition is another important task facing both Koreas, he added.

The sports talks were suspended in February because of North Korean objections to the "Team Spirit" U.S.-South Korea joint military exercises.

## Changes Planned in 'Team Spirit', Commmanders

*SK2307002091 Seoul YONHAP in English 2357 GMT 22 Jul 91*

[Text] Seoul, July 23 (YONHAP)—The South Korea-U.S. joint military exercises "Team Spirit" will be scaled down beginning 1992 with the initial reduction of 40,000 troops, Gen. Chong Ho-kun, chairman of the Korean Joint Chiefs of Staff, said Monday.

Chong told reporters that the two allies were also considering juxtaposing command post exercise (CPX) along with the field exercises which had been carried out so far.

About 140,000 South Korean and American troops took part in the annual joint drills early this year, but next year will see the participation of some 100,000 troops, he said.

To make up for the physical scaledown, Chong said, highly-sophisticated U.S. weapons and equipment used in the Gulf war would be deployed in next year's Team Spirit.

According to the four-star general, the South Korea-U.S. Combined Field Army (CFA) will be disbanded in July 1992, five months earlier than oridinally scheduled.

The CFA, believed to be the world's largest field army, comprises two army corps and nine combat divisions. Commanded by U.S.Lt. Gen. William Carpenter, CFA is headquartered at Camp Red Cloud outskirts of Uijongbu north of Seoul.[sentence as received]

A South Korean general will replace the American commander of the ground component command [GCC] by the end of 1992. The GCC is in charge of all ground troops deployed throughout the country.

The two allies began joint military exercises in 1969 and agreed at the 11th bilateral security consultative meeting (SCM) in 1978 to make the drill an annual event.

There are some 43,000 American troops in South Korea under a 1953 mutual defense treaty. The focus of the joint security posture is shifting to a more back seat role for U.S. Forces in Korea.

During the 22nd SCM last November, it was agreed to gradually expand Korea's share of the defense burden for joint security of the Korean peninsula.

## Private Businesses' Investment in China Reported

*SK2207115391 Seoul YONHAP in English 1033 GMT 22 Jul 91*

[Text] Seoul, July 22 (YONHAP)—South Korean private businesses invested a total of 18.4 million U.S. dollars in 28 projects in China in the first five months this year, sources at the Bank of Korea and Korea Trade Promotion Corp. said Monday.

The figure is compared with 10,024,000 dollars in 14 projects during the same period last year.

The figure had skyrocketed from 4.35 million dollars in two projects in 1988, to 6.84 million dollars in 10 projects in 1989, and 56.44 million dollars in 38 projects in 1990.

By company, Daewoo Corp., which set up a joint-venture refrigerator producing plant with the Fujian provincial government in 1988, is planning to pour 4.5 million dollars in Dalian, Liaoning Province, to set up a suitcase and tent manufacturing company by the end of the year, sources said.

The Lucky-Goldstar group, which set up Sanhuan-Lucky New Materials Inc. in Tianjin this year, is seeking to open Goldstar-Changning Co. in Harbin, a spokesman of the group said. Lucky is supposed to pour 2.1 million dollars to set up the industrial pump manufacturing company by the end this year, he said.

Samsung Co. invested 1.14 million dollars in March 1990 to hold 19 percent of equities of Shenzhen Huari Electrics Ltd., a color television receiver manufacturer in Shenzhen, Guangdong Province, a Samsung spokesman said.

## Government To Send Tons of Rice to Iraqi Kurds

*SK2207131191 Seoul YONHAP in English 1220 GMT 22 Jul 91*

[Text] Taegu, S. Korea, July 22 (OANA-YONHAP)—South Korea is planning to send 1,000 tons of rice to Iraq as relief efforts for the Kurds, provincial government officials said Monday.

The Foreign Ministry bought the rice from the northern Kyongsang Province 1988 stock and is planning to ship it out from Pusan starting Wednesday, according to the officials.

## Fourth Joint Ministerial Meeting With Iran

*SK2307024791 Seoul THE KOREA TIMES in English 23 Jul 91 p 8*

[Text] Korea and Iran will hold the fourth joint ministerial meeting for economic and technological cooperation at the Trade-Industry Ministry from tomorrow through Friday.

Some 60 delegates from the two countries will take part in the conference to discuss ways of promoting bilateral economic and technological exchanges.

Trade-Industry Minister Yi Pong-so will head the Korean delegation, while Iranian Oil Minister Gholam Reza Aqazadeh-kho'i will lead his country's team.

During the meeting, Iran is expected to call up Korea to actively take part in its post-Gulf War rehabilitation projects worth $325 billion.

In particular, Iran will focus on the carrying out of its various projects through cooperation with Korean enterprises which are now doing their business in it.

According to the ministry, Iran considers Korea as one of its major foreign partners in its first five-year economic development plan between March this year and February, 1995.

Iran plans to borrow $17.4 billion from foreign countries during its economic development project.

Of the total foreign loans, Iran has already made contracts to introduce 70 percent and is selecting foreign partners in its first five-year economic development plan.

Since the end of the Gulf War in February, the Iranian economy has been markedly improving thanks to the rapid expansion in exports of its oil.

Its political and economic role in the Middle East is also expanding sharply.

Iran is now producing 3.25 million barrels of oil per day.

Thanks to Iran's pursuit of the post-Gulf War rehabilitation projects and the liberalization of its economy, Korea's exports to it in the first four months of this year rose 170 percent from the year before to $27.4 million.

Iran has emerged as Korea's largest export market in the Middle East.

On the other hand, Iran is the fourth largest oil exporter to Korea.

Last year, the nation imported 34 million barrels of oil from Iran, accounting for 11.1 percent of its global oil purchase.

The Iranian delegation will also hold a seminar on investment opportunities in their country at the Korea Chamber of Commerce and Industry Thursday.

They will especially ask Korean business concerns to invest on the island of Qeshum designated as the free trade and industrial zone last year in order to attract more foreign investment.

In the meantime, the Korean delegation plans to sign various pacts such as those on investment guarantee, the avoidance of double taxation and visa exemption with their Iranian counterparts during the joint ministerial meeting.

At present, Korean business concerns are taking part in seven construction projects worth $981 million in Iran.

### U.S., British Firms Bid on Satellite Project

*SK2307030891 Seoul YONHAP in English 0212 GMT 23 Jul 91*

[Text] Seoul, July 23 (YONHAP)—South Korea's first communication satellite project attracted four main bidders, three from the United States—Hughes Communication International, Loral Space System, General Electric Astro—and British Aerosace

Four Korean companies took part in the bidding offered Monday by the Korea Telecomm. as parters of the U.S. and British bidders: Samsung Electronics joined hands with Hughes, Hyundai Electronics with Loral, Goldstar Information and Communications Ltd. with General Electrics, and Daewoo Heavy Industries was linked with British Aerospace.

Alcaltel Space and Aerosatiale, both of France, and Italy's Selenia Spazio also joined the bidding as subcontractors for Loral, so did Britain's Marconi for General Electric Astro. British Aerosace's subcontractors are France's Matra, U.S.'S TRW [expansion unknown] and Germany's Dornnier.

Involved in the bidding are two satellite, Korea Satellite One and Korea Satellite Two, each costing about 75 billion won .

The Korea Telecomm. will announce the successful bidders in December, and formal contract will be signed to build the satellite by December 1994.

The projected main satellite will be orbited in April 1995, and the second satellite will be blasted off in October the same year.

The Korea Telcomm. will organize a standard evaluation panel to make a comprehensive evaluation of prices, technical terms and fidelity in selecting the final bidders.

In last May, the Korea Telcomm put a finishing touch on the satellite's standard and set forth a regulation calling for foreign bidders to sign subcontract with Korean partners in a move to ensure technology transfer by enabling local partners to supply locally assembled parts. In addition, foreign bidders are obliged to train about 30 Korean engineers in the course of design and testing. The regulation also calls for the guarantee of the satellites' fidelity for at least 10 years.

### Contract Signed To Build Nuclear Power Reactors

*SK2307093791 Seoul YONHAP in English 0836 GMT 23 Jul 91*

[Text] Seoul, July 23 (YONHAP)—The Korea Atomic Energy Research Institute (KAERI) has signed with Korea Heavy Industries and Construction Co. to design the nuclear steam supply system for the Uljin nuclear power reactors, no. 3 and no. 4, some 220 kilometers southeast of Seoul, a KAERI spokesman said Tuesday.

It marked the first time for Korean technicians to design the system without the help of foreign technology which is currently owned by a handful of science powers such as the United States, France, the Soviet Union, he said.

Korea had completely depended on foreign technology for designing the nuclear reactors until it designed reactors for Yongkwang no. 3 and no. 4 on the nation's west coast jointly with combustion engineering of the United States in 1989.

He said the Uljin project led by Korean technology became possible as the nuclear reactor industry turned into a buyer's market and Korea made strenuous efforts to introduce foreign technology in the past several years.

The Uljin power plants will be put into operation in June 1998 and and June 1999, respectively.

### Over Half of Seoul Citizens Oppose Power Plant

*SK2007013191 Seoul YONHAP in English 0028 GMT 20 Jul 91*

[Text] Seoul, July 20 (YONHAP)—More than half of Seoulites think nuclear power generation is unsafe and are ready to oppose construction of power plants and transformer stations in their neighborhoods, the Energy and Resources Ministry said Saturday.

Quoting a Korea gallup poll survey of 300 Seoul citizens, the ministry said 54.6 percent of the respondents believed atomic power generation was unsafe.

Half the respondents said they would readily reject any move to build power stations and transformer substations in their neighborhood.

Fifty-five percent said electricity charges were expensive while 33 percent said they were cheap. At present the local charges are far lower than those of other countries, according to the ministry.

As for the worsening electricity shortage, 64 percent blamed excessive consumption, while only 26 percent found fault with the government's policy failure.

Asked how to cope with the electricity shortage, 87 percent suggested thrift use of power.

If the use of electricity was to be restricted, the respondents said, the first target should be the commercial establishments and then households, and that industrial plants should be saved from the restriction to the last moment.

Ninety-four percent of those questioned said they would positively respond if the government asked them to refrain from using air conditioners and other electronic cooling systems during the peak hours from 1-3 p.m.

Sixty percent pointed out neon signs and electric signboards as the main culprits of electricity waste. Other factors fanning the over-consumption of electricity were nightly operation of entertainment businesses, excessive cooling of buildings, over-use of electronic appliances and too much television viewing.

## No Tae-u Meets Party Chairman Kim Yong-sam

*SK2007065291 Seoul YONHAP in English 0630 GMT 20 Jul 91*

[Text] Seoul, July 20 (YONHAP)—President No Tae-u reaffirmed his "unwavering stance" on maintaining the current presidential system of government Saturday, when he briefed Kim Yong-sam, executive chairman of the Democratic Liberal Party, on his meeting with opposition leader Kim Tae-chung early in the week.

"When it comes to a parliamentary system of government, I told him (Kim Tae-chung) that I have not changed a bit from the position that I explained during a meeting of senior party and government officials on May 28," Son Chu-hwan, senior presidential secretary for political affairs, quoted No as saying.

Son also said that the president told Kim Yong-sam it was out of the question for him to leave the ruling party as demanded by the opposition leader.

In the July 16 meeting with the opposition leader, No reiterated his position that a switch to the cabinet system of government could not be sought against the will of a majority of people.

No said elections for lawmakers, mayors and governors next year should be held in compliance with relevant laws and he saw it undesirable to discuss changing the political timetable in advance. He said political fund laws should be revised to expand government burden-sharings on election campaign funds.

## NDP Faction Urges Kim Tae-chung To Resign

*SK2207021891 Seoul YONHAP in English 0146 GMT 22 Jul 91*

[Text] Seoul, July 22 (YONHAP)—Reform-minded lawmakers in the main opposition party on Sunday pleaded with Kim Tae-chung to step down as the party leader for a merge of the opposition camp, devastated by a crushing defeat in June's local elections.

The lawmakers, who formed a pressure group, called "research group of political development," in the New Democratic Party [NDP] on July 3, said their party should make a compromise and show willingness in seeking a merge with the splinter Democratic Party [DP] on the ground that the NDP alone can hardly win next year's presidential election.

Participants from the main faction under the control of Kim said Kim's stepdown would nothing but deceive people if he came back as presidential candidate after the merge was made.

Trying to play down the role of the outspoken pressure group as merely a research group, Kim said their activity could give people a negative impression that the party has gone split.

The reform-minded lawmakers included Reps. No Sung-hwan, Cho Yun-hyong, Chong Tae-chol, Yi Sang-su, Pak Sil, Kim Tok-su, Kim Chong-wan and Yi Hyong-pae.

## Bank Official Urges Cooperation, not Bloc

*SK2307040191 Seoul YONHAP in English 0246 GMT 23 Jul 91*

[Text] Seoul, July 23 (YONHAP)—A top South Korean bank official has suggested that South Korea be ready for more economic cooperation in the Asia-Pacific region with the Asia-Pacific Economic Cooperation (APEC) against Japan's conception of an economic bloc surrounding the East Sea.

Governor of the Bank of Korea Kim Kun made the suggestion at the 17th summer seminar Tuesday for top managers, where he gave a lecture, titled "Changes in International Economic Environment in the 1990s and Its Countermeasures." The seminar was sponsored by the Korea Management Association in a hotel in Cheju Island.

Kim said the current international cooperation system will continue in the world economy in the 1990s with the three majors—the United States, Japan and European Community (EC)—as the main axis, while economic blocs within regions are being pushed at the same time.

Korea's need for economic cooperation in the region is all the more pressing as the sharing rate in the world export of the four NICs (newly industrialized countries) countries—South Korea, Hong Kong, Taiwan and Singapore—will go up to 11 percent in the year 2000 from 8 percent in 1990, Kim said.

Kim said he would seek measures for more effective financial policies as domesitc financial market would be closely connected with foreign markets with more internationalization of the financial system.

### Assembly Passes Budget, Confirms New Premier

*SK2307064691 Seoul YONHAP in English 0535 GMT 23 Jul 91*

[Text] Seoul, July 23 (YONHAP)—The National Assembly ended its extra session Tuesday afternoon after passing the government-proposed second supplementary budget bill scaled at 4.1 trillion won (583 million U.S. dollars) in a voting rejected by opposition lawmakers.

Lawmakers of rival parties worked on the budget bill through the night but failed to reach an agreement. Members of the major opposition new democratic party argued for a slash of 600 billion won while DLP [Democratic Liberal Party] opposed the cutback and suggested readjustment of some expenditures.

During the extra session that was convened on July 8, the Assembly passed a motion for Korea's admission into the United Nations and approved Chong Won-sik as the prime minister.

On the last day of the sitting, Rep. Yu Han-yol of the DLP was elected chairman of the Assembly's Energy and Resources Committee. Yu replaces Choe Hyong-u as the committee chairman. Choe has been recently named state minister for political affairs.

It was the first time that a National Assembly session wrapped up without a melee since the DLP came into existence early last year.

### Officials Prepare for Uruguay Round of Talks

*SK2207023991 Seoul YONHAP in English 0207 GMT 22 Jul 91*

[Text] Seoul, July 22 (YONHAP)—The South Korean Government is giving final touches to its strategies to save rice and a few other agricultural items from market opening in the Uruguay Round of trade talks, as negotiations will intensify from September to meet a newly-set deadline for the drawn-out round.

Officials at the Economic Planning Board (EPB) said the Uruguay Round negotiations were expected to take a momentum from last week's meeting of the leaders of the seven most industrialized countries.

In the economic declaration July 17, the G-7 leaders agreed to make efforts to complete the round before the end of 1991. GATT (the General Agreement on Tariffs and Trade) launched the Uruguay Round of negotiations in September 1986. A similar end-of-the-year deadline set at the Houston summit last year was not met.

Farm subsidies are one of the major stumbling blocks of the talks. The United States and many Third World countries push for a slash of farm subsidies in industrial nations, but the European Community is resisting.

The G-7 leaders have agreed to consider the non-trade concerns of agricultural products, while seeking to curb on subsidies which distort the allocation of resources and inflate public spending, EPB officials said.

South Korea has argued for the exemption of rice and a few other agricultural products from market opening for food security reasons and the latest G-7 agreement may enhance the possibility of recognizing food security, the officials said.

In the negotiations on the service sector, the government will make best efforts to have wider access to markets abroad on the basis of the offer list submitted to GATT.

A five-member EPB delegation, led by Yi Yun-chae, director-general for international policy coordination, left for Geneva Monday for service talks with officials from major trading partners July 24-26.

Emphasis will be given to talks on zero tariff of industrial products, EPB officials said.

During the service talks, the Korean delegation will hold bilateral talks with officials from the European Community, Japan, Canada, Australia, New Zealand and the Scandinavian countries, the officials said.

### 1990 Statistics on Imported Industrial Technology

*SK2207071691 Seoul YONHAP in English 0607 GMT 22 Jul 91*

[Text] Seoul, July 22 (YONHAP)—South Korea imported a total of 763 industrial technologies from abroad last year, down 3.3 percent from 1989, the Korea Industrial Research Institute [KIRI] said Monday.

KIRI said 29.7 percent of the technologies were related to electric and electronic industry, 25.5 percent to machinery, and 18.7 percent to chemical engineering.

Forty-five percent of the technologies came from Japan and 29.9 percent from the United States, while only 7.5 percent were from Germany, 3.8 percent from Britain and 3.4 percent from France.

Big enterprises were more active in absorbing foreign technology than small- and medium-sized ones: 66.3 percent were imported by the big firms while the remaining 36.6 percent were brought in by the smaller firms.

South Korean firms paid 1,087 million U.S. dollars in royalties for foreign-developed technologies last year. It was the first time that South Korea paid over 1 billion dollars in royalty payment for foreign technologies since the nation began importing such technologies in 1962, KIRI said.

Some 40 percent of the imports were made on contracts running for three to five years, while 32.2 percent were on contracts running less than three years. Only 3 percent of the imports were made on contracts running 10 years or longer.

In the case of imports from Japan, 41.1 percent were on short-living contracts of maximum three years. This was compared sharply with the imports from France, 28 percent of which were made on contracts going eight years or longer.

While South Korea's technology import dwindled, its export of industrial technology increased 72.4 percent to 50 cases last year from the year before, KIRI said.

### Association Reports Exports of Oil Products

*SK2307031091 Seoul YONHAP in English 0122 GMT 23 Jul 91*

[Text] Seoul, July 23 (YONHAP)—South Korea's exports of oil derivatives almost tripled to 17.83 million barrels in January-May from 6.11 million barrels in the same period last year, mostly led by facility expansion and oversupply, the Korea Petroleum Association said Tuesday.

Export prices were lowered so much that price of high-sulfur bunker-c oil was shipped to Southeast Asia at 13.9 U.S. dollars per barrel, well below the average 15 dollars in the local market.

The export volume accounted for 12 percent of the total output of 149.15 million barrels produced by oil refineries in Korea in the five-month period.

Sagging domestic consumption of high-sulfur petroleum products and the excessive facility expansions by refineries are finding vent in the unprofitable exports, the Association said.

### Illegal Foreign Workers Increase Five-Fold

*SK2207082691 Seoul YONHAP in English 0732 GMT 22 Jul 91*

[Text] Seoul, July 22 (OANA-YONHAP)—The number of illegal foreign workers, most of them laborers, increased five-fold last year, and the number is likely to be higher this year, the National Police Headquarters (NPH) said Monday.

The NPH said it nabbed 1,195 illegal workers last year, an incredible jump from 250 in 1989. Records showed 96 percent of them were employed in hard labor such as factory workers and housekeepers in Seoul and nearby metropolitan areas.

These illegal workers are paid less than 300,000 (414 U.S. dollars) a month, according to the NPH.

Police caught 742 such workers this year by the end of June, already more than half the number caught last year. Laborers accounted for 688 of the total. Others included 24 from private companies, 21 from language schools, six from show business. Three of them were university lecturers.

More than half of the illegal laborers were from the Philippines with 397. Pakistan came next with 33, Bangladesh 26, and the United States 22.

Police, fearful that valuable industrial information may leak to other countries through these foreign workers, is considering setting up a special task force as Japan did, officials said.

### Ministry Organizes Musicians for UN Performances

*SK2207131991 Seoul YONHAP in English 1252 GMT 22 Jul 91*

[Text] Seoul, July 22 (YONHAP)—The Culture Ministry has formed a 150-member Korean music mission to perform in the United States, the Soviet Union and three Eastern European countries to celebrate Korea's admission to the United Nations in September.

The delegation includes 135 performers from the National Institute of Traditional Music, National Dance Company, Metropolitan Companies of Traditional Music, KBS Traditional Music Company, Seoul Arts Company and Kim Tok-su Samulnori Company. Also included were Human Cultural Heritages of National Music and pan-so-ri (korean theatrical songs): Hwang Pyong-ki, Cho Sang-hyon, An Sok-son and Yi Kummi.

Each performance program is divided into two divisions, the first one centering on Korean classical court music and the other on popular music including pan-so-ri, folk songs and samulnori.

The first performance will be at the Shrine Auditorium in Los Angeles Sept. 21. The second one will be given for the U.N. Representatives at the Carnegie Hall in New York Sept. 25. Similar performances will be done in Moscow Sept. 30, in Warsaw Oct. 3, in Belgrade Oct. 6 and in Prague Oct. 12.

The performance in Moscow will mark the first anniversary of the full diplomatic relations between Seoul and Moscow. In Moscow, the mission will have a street parade and Samulnori performance and conduct some programs for the Koreans in the Soviet Union.

### Constitution Court Rules Against Teachers Union

*SK2307031191 Seoul YONHAP in English 0149 GMT 23 Jul 91*

[Text] Seoul, July 23 (YONHAP)- The Constitution Court, ending a long-drawn-out battle between the government and reform-minded secondary school teachers, ruled against the teachers' union movement Monday.

Six of the nine adjudicators of the Constitution Court cast ballots in favor of the government's ban of union movement while the presiding Judge Kim Yang-kyun and another said such a ban was running counter to the constitution. The ninth judge approved the government's action with limits.

In the final verdict that legally capped the two-year-long debate over the legality of government's persecution of unionized teachers, the court said, articles 55 and 58 of the private schools law, which bar teachers from engaging in union activities, did not violate the principle of equality provided by the constitution.

"Even though the clauses in question restrict or ban private school teachers from exercising their three labor rights, they cannot be regarded as violating the basic nature of the basic labor rights. As the restriction has been decided to protect public interests which form the root of our educational system, it cannot be counted as running counter to the constitution," the verdict said.

Chongyojo [National Teachers Trade Union], an outlawed union of 15,000 teachers across the country, denounced the tribunal's ruling as "undemocratic" and vowed to continue its struggle.

"We feel shocked and miserable at the ruling of the Constitution Court, the highest institution formed to protect the Constitution. The ruling makes us question the authority of the court and mars the constitutional order in this country.

The court's ruling bars some 1,500 teachers, dismissed for refusing to dissociate from Chongyojo, from returning to classroom.

The union was created in may 1989 under a flag of "genuine education" and with the aim of eliminating political influence from the educational front.

Under then Education Minister Chong Won-sik, who currently is the prime minister, the union was outlawed immediately and the 1,500 teachers, some 670 of them private school teachers, lost their job.

Chong Sun-nam, who was dismissed from Sonil girls middle school in Seoul on Aug. 8, 1989, for being a union member, filed a suit with the Seoul District Court, claiming some articles in the private schools law were unconstitutional. The case was referred to the Constitution Court in October 1989.

## Cambodia

### First Convoy in 16 Years To Send Supplies

*BK2207101791 Hong Kong AFP in English 0900 GMT 22 Jul 91*

[Text] Bangkok, July 22 (AFP)—A convoy carrying emergency medical supplies will drive from Thailand to Phnom Penh this week, the first such trip in 16 years, United Nations officials said Monday.

The convoy, which is expected to take two days to make the 350 kilometer (220 mile) journey from the Thai-Cambodian border over neglected war-ravaged roads, will have a military escort to protect it against roving gangs of bandits.

The medical supplies consist of 7,000 kilograms (15,400 pounds) of urgently needed anti-tuberculosis, malaria and leprosy drugs.

Such relief has normally been transported to Cambodia by ship via Singapore, but "the road route is much more inexpensive and much quicker," one of the U.N. officials said.

The supplies will be trucked from Bangkok to the Thai border town of Aranyaprathet, transferred to pick-up trucks, then driven across a small stream which marks the border to the Cambodian town of Poi Pet.

There supplies will be transferred to two Cambodian Red Cross vehicles for the journey to Phnom Penh.

The Thai-Cambodian border was officially opened last month for the first time since 1975. Tank barriers have been removed and the border bridge has recently been widened and reinforced to allow small vehicles to cross.

The official said the U.N. had received full cooperation from the Thai Government and the Phnom Penh authorities in organising the supplies shipment.

"This is a test case but we hope it will set a precedent," said the official, who asked not to be identified.

### Hun Sen, Sihanouk Feted by Kim Il-song

*BK2207121491 Phnom Penh SPK in English 1133 GMT 22 Jul 91*

[Text] Phnom Penh SPK July 22nd—Kim Il-song, great leader of the Korean people, received in Pyongyang, the Democratic People's Republic of Korea, Sunday morning Samdech Norodom Sihanouk and Prime Minister Hun Sen of the State of Cambodia, reports an SPK special correspondent from DPRK.

Also participating in the meeting were Hor Namhong, SNC [Supreme National Council] member and foreign minister; and Im Chhunlim, SNC member and first deputy head of the PRPK [Kampuchean People's Revolutionary Party] Central Committee Office.

Speaking at a reception in honour of Samdech Norodom Sihanouk and Prime Minister Hun Sen after the audience, Kim Il-song congratulated the outcome of the just ended inter-Cambodian meeting held recently in Beijing and warmly hailed Samdech Sihanouk's election as chairman of the SNC.

The Korean great leader wished the Cambodian people success in the reconstruction of an independent, peaceful and nonaligned Cambodia within her own territorial integrity. President Kim said the internal aspect of the Cambodian problem should be solved by the Cambodian parties and national reconciliation is a Cambodian affair.

In his reply, Samdech Norodom Sihanouk, on behalf of the SNC, deeply thanked Marshall Kim for his warmest and cordial reception and hospitality to the first delegation of the SNC to the DPRK.

Prime Minister Hun Sen, invited by Samdech Sihanouk and accompanied by him in the same flight from Beijing, arrived in Pyongyang on Saturday for a visit to the prince and an official visit to the DPRK.

Samdech Sihanouk and Prime Minister Hun Sen were received in a red-carpet ceremony at the airport by Yi Chong-ok, vice president of the DPRK; Kim Yong-nam, vice premier and minister for foreign affairs, and other high-ranking Korean officials.

Also on hand to welcome the SNC delegation were 25 ambassadors and charge d'affairs accredited to Pyongyang.

Samdech and Neak Moneang hosted a banquet in honour of Premier Hun Sen and his wife in Pyongyang on Saturday evening .

Speaking to foreign ambassadors after the dinner, Prime Minister Hun Sen said: "My presence here shows that we Cambodians have found the occasion for national reconciliation and reconstruction."

He also reaffirmed that Samdech Sihanouk would visit Cambodia in November for his noble national reconciliation mission.

### Sihanouk Welcomed, Congratulated by Leaders

*BK1907114791 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1100 GMT 19 Jul 91*

[19 July message of General Secretary Hengh Samrin and National Assembly Chairman Chea Sim to Samdech Norodom Sihanouk on his election as chairman of the Suprme National Council of Cambodia—read by announcer]

[Text] Respected Samdech:

We would like to express our warmest congratulations to you on your election by the Supreme National Council

[SNC] of Cambodia as SNC chairman in accordance with the joint statement between the samdech and His Excellency Hun Sen, dated 17 July 1991. We feel even more confident of the success of your mission in bringing about national reconciliation as you have decided to resign from all positions in the National Government of Cambodia and the National Resistance of Cambodia and have decided from now on to be neutral, acting as a conciliator without belonging to any faction or political party. Such decisions will provide the samdech with an opportunity to successfully carry out the royal mandate for the nation and fatherland.

On behalf of the leadership of the State of Cambodia, we are prepared to cooperate with you and to facilitate your mission during your upcoming trip into the country.

We would like to extend our best wishes to the samdech and are looking forward to meeting you in Phnom Penh.

Phnom Penh 19 July 1991
Signed and sealed: Heng Samrin, chairman of the Council of State of the State of Cambodia;
Chea Sim, chairman of the National Assembly of the State of Cambodia

### Phnom Penh Radio Welcomes Sihanouk's New Role

*BK2107104191 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 20 Jul 91*

[Station commentary: "Warm welcome for the samdech's new role"]

[Text] On 17 July in Beijing, after being unanimously elected chairman of the Supreme National Council [SNC] at the informal SNC meeting, Samdech Norodom Sihanouk told diplomats and foreign observers that in order to fully play his role as SNC chairman, he had decided to immediately resign in his positions as leader of the Cambodian National Resistance movement and leader of the Cambodian National Government. The samdech has decided to remain neutral and will act as conciliator without being on any side or member of any political parties thereafter.

The Cambodian people welcome the samdech's role as SNC chairman, which is a major key enabling the body symbolizing the Cambodian nation's independence, sovereignty, and unity to carry out its mission for the nation and motherland aimed at bringing peace, independence, neutrality, and nonaligned status to the country and nation as quickly as possible.

Everyone knows that since the SNC was born in Jakarta on 9-10 September 1990, the issue of leadership has become a major stumbling bloc and obstacle preventing this body from functioning. The meeting in Phatthaya from 24 to 26 June achieved positive results, thanks to the fact that the meeting temporarily shelved the issue of the SNC leadership by granting the right to convene the meeting and the chairmanship to Samdech Sihanouk. However, from now on, the issue of the SNC leadership is no longer a problem. Furthermore, the Cambodian people also welcome the newest position of the samdech who remains neutral and adheres to a conciliatory role between the two existing governments in Cambodia. Our people consider that this is the best solution to end the hostility among all warring Cambodian parties.

Everyone knows or remembers that the samdech was a victim—he was toppled—of the coup staged by (?traitors) and imperialists and that he used to be a prisoner of the Pol Pot clique for three years, eight months, and 20 days. The samdech, like the Cambodian people throughout the country, has had some members of his family tortured and massacred. Quite a number of the samdech's sons, daughters, and grandchildren were massacred. Thus, our people have at no time rejected the samdech's role in a political solution to the Cambodian problem.

It was due to the attention paid to the samdech's role that in 1984 the State of Cambodia's leadership went to France to hold a secret meeting with the samdech. However, the meeting did not materialize because the atmosphere was not yet favorable. The Cambodian people clearly remember that the Hun Sen-Sihanouk tribune at the end of 1987 in France, inaugurated the negotiations among the warring Cambodian parties aimed at searching for peace for the motherland. Over the past more than three years, through successive meetings between Comrade Hun Sen and Samdech Sihanouk, the State of Cambodia even proposed inviting the samdech to Cambodia and was prepared to offer the highest state leadership position to him as well.

However, this State of Cambodia's sincere goodwill did not achieve results because of the influence of outside pressure. However, the situation has now completely changed. Through the neutral and conciliatory role of the samdech, he will be able to easily carry out the mission for the nation and people. The samdech has detached himself from the genocidal alliance, which for over the past nine years has soiled and tarnished the samdech's reputation. The samdech's new decision has shown correctness appropriate to the aspiration of the national and international public, particularly the Cambodian people, who want a just and reasonable solution bringing genuine and lasting peace to the Cambodian problem.

Along with the welcome, the Cambodian people believe and have hope in the unswerving realism of the samdech's goodwill to quickly end the Cambodian people's suffering. Furthermore, the Cambodian people pledge to implement all agreements reached by the SNC and to denounce any parties that have interpreted the agreements to serve their dark maneuvers (?contrary) to the interests of lasting peace.

## Phnom Penh Radio Acclaims SNC Meeting

*BK2207060191 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 21 Jul 91*

[Pracheachon editorial: "Headway in the Process to a Political Solution for the Cambodian Problem"]

[Text] The recent unofficial meeting of the Cambodian Supreme National Council [SNC] in Beijing ended with remarkable results.

National and international public opinion appraised this as further headway in seeking a political solution to the Cambodian problem. This is because it has consolidated and expanded the results of the Phatthaya meeting and bestowed optimistic prospects upon the SNC official meeting in Bangkok on 26 and 27 August.

The success of the unofficial Beijing meeting has especially promoted SNC activities and consolidated the agreement on voluntary cease-fire and cessation of military aid, which are important rudiments for the creation of an atmosphere of mutual trust among the Cambodian factions.

What is noteworthy is the agreement reached at the meeting between Comrade Council of Ministers Chairman Hun Sen and Samdech Sihanouk. That is, Samdech Sihanouk has decided from now on to stand neutral and to resign from the presidency of the tripartite resistance movement and national government of Cambodia. Our State of Cambodia [SOC] has agreed to offer Samdech Sihanouk the SNC chairmanship, which will be without a vice chairman. This has contributed to ending the enmity among the Cambodian factions in order to advance a political solution to the Cambodian problem.

This success is accepted by everyone as the SOC's zealous goodwill and tireless efforts for a quick political solution to the Cambodian problem in line with the sacred aspirations of the Cambodian people who want to live in peace without the recurrence of the genocidal Pol Pot regime, so that they can build a new and happy life.

More importantly, this is made possible thanks to the Cambodian revolutionary forces' superiority which cannot be broken militarily. Especially, following the withdrawal of the Vietnamese volunteer troops from Cambodia in September 1989, the show of force on the battlefield during two dry seasons, particularly in the 1990-91 dry season, clearly indicate that this is the most appropriate and essential time to accept the SOC's goodwill and proposal.

The process of seeking a political solution to the Cambodian problem in line with the genuine aspirations and interests of our people is very promising and further headway depends on the show of goodwill and resolution of all Cambodian factions as well as all parties concerned. Our people welcome and support the goodwill and tireless efforts made by our party and state, and all of them are resolved that to achieve a genuine and long-lasting peace, it is necessary to remember the historic lessons and resolutely strive to further preserve our political and military status and build our forces in all aspects by always holding aloft the four banners of national independence, peace, national reconciliation, and opposition to the return of the genocidal Pol Pot regime in whatever form.

## BBC Report on Hun Sen's Army Proposal Refuted

*BK2307053091 Phnom Penh SPK in French 0450 GMT 23 Jul 91*

[Text] Phnom Penh 23 Jul (SPK)—The spokesman of the chairman of the State of Cambodia's Council of Ministers has just refuted a report broadcast by the BBC, according to which Prime Minister Hun Sen was said to have "demanded that a number of his army be maintained before the holding of the elections in order to prevent the return of the Pol Pot regime."

Following is the full text of the denial:

"BBC broadcast on 22 July an excerpt of a press article saying that at the Beijing meeting Prime Minister Hun Sen demanded that a number of his army be maintained before the holding of the elections in order to prevent the return of the Pol Pot regime. Moreover, the radio quoted an aide of Mr. Hun Sen as saying that Mr. Hun Sen would demand that 30 percent of his army be maintained.

"The spokesman of Prime Minister Hun Sen has categorically refuted this report and has clearly affirmed that neither Mr. Hun Sen nor any of his aides has ever considered, or raised such a proposal.

"In their proposal to amend the draft agreement of 26 November 1990, made at the Jakarta meeting from 2 to 4 June 1991, and the consultative meeting in Beijing on 16 and 17 July 1991, Mr. Hun Sen and his delegation proposed that the entire army be maintained before the elections according to the modalities of the implementation of the cease-fire in place, and of the regrouping of the armed forces in their positions, each with a strength of 100 to 300 men. The arms and ammunition must be kept inside these positions and they are not allowed to take them out. All factions must report to the United Nations on their positions, strengths, and armament in their respective positions so that an effective control can be established. As for the definitive solution concerning the army, the new government born out of the elections will be the one to decide."

## Chea Sim on Recent Visits to Japan, Thailand

*BK2107092791 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 19 Jul 91*

[Interview with National Assembly Chairman Chea Sim by unidentified SPK correspondent; date and place not given—read by announcers]

[Text] [SPK] The comrade chairman recently paid a visit to Japan. How do you assess this visit?

[Chea Sim] This is true. From 13 to 16 July, I paid a visit to Japan at the invitation of His Excellency [H.E.] Michio Watanabe, member of parliament and an influential political figure in Japan. There, I had the opportunity to hold talks with major political figures, namely H.E. Michio Watanabe; H.E. (Shintanameru), former [word indistinct] prime minister and adviser of the Association of Japanese-Cambodian Parliament Members to Promote Peace and Reconstruction; and H.E. Yasuhiro Nakasone, former Japanese prime minister.

Apart from this, I had the opportunity to meet with many parliament members in charge of various committees of the Japanese parliament and representing various Japanese political parties. These talks focused on two major issues: Cambodian-Japanese bilateral relations and the search for a political solution to the Cambodian problem. The talks were held in a most happy and cordial atmosphere and with mutual understanding.

The Japanese side showed high appreciation for the rebirth of our people, society, and nation after escaping from the genocidal regime. Furthermore, the Japanese expressed happiness with the progress toward a solution to the Cambodian problem, which is at a major turning point following the concrete results achieved in Phatthaya. The Japanese side also affirmed that it will continue to make appropriate contributions toward restoring peace in Cambodia quickly and toward providing humanitarian aid and necessary development aid to our people when there is peace.

The future economic, trade, cultural, and technical relations between the two countries were also discussed. On this issue, the Japanese side has a wide view which could cover every field and be of real benefit to the two peoples, Cambodian and Japanese.

I would like to specify that apart from these talks, I also had the opportunity to visit the hometown of H.E. Michio Watanabe, factories, agricultural areas, and the homes of Japanese farmers to have a genuine look at the production organization of factories and the agricultural structure. Along with this, the beneficial talks with the mayor of (Oshi Nemiya) also yielded a lot of experiences on developing urban and rural areas.

In sum, my first visit to Japan was quite fruitful and had profound political significance in the relations between the two countries, peoples, and parliaments. As a major part of the success of this visit, I cannot forget the sincere assistance of H.E. Michio Watanabe to whom I express most profound gratitude.

[SPK] During your stopover in the Kingdom of Thailand, we know that the comrade chairman held talks with many important Thai leaders. What was the focus of these talks and were you pleased with the results?

[Chea Sim] I would like to specify that on 12 July I stayed in the Kingdom of Thailand as a guest of H.E. Asa Sarasin, Thai foreign minister. On my way back from Japan, I had the opportunity to stop over for one night in Bangkok.

During my stay in the Kingdom of Thailand, I met with top leaders of that country, namely H.E. General Sunthon Khongsomphong, president of the National Peace Keeping Council; and H.E. General Suchinda Khraprayun, commander in chief of the Thai Army. Furthermore, I held talks with H.E. Anan Panyarachun, prime minister; and H.E. Asa Sarasin, foreign minister of the Kingdom of Thailand.

The reception and the talks went on in a happy, cordial, and sincere atmosphere. The issues of reconstruction and consolidation of the relations of friendship and fruitful comprehensive cooperation between the countries were the focus of the talks. A number of concrete issues dealing with economic, trade, banking, and humanitarian cooperation were raised. I and all my interlocutors stressed the necessity and importance of further improving the relations of friendship and good neighborliness between the two peoples.

Concerning the political solution to the Cambodian problem, the Thai side clearly affirmed its continued and active contribution so that the process to find peace for the Cambodian people can quickly achieve concrete results. The Thai side expressed joy and happiness at the fine results of the Supreme National Council [SNC] in Phatthaya and expressed the belief that the forthcoming SNC meeting in Bangkok in August will achieve even greater and new progress.

In sum, my talks with high-ranking leaders of the Kingdom of Thailand achieved fine results. I personally am most satisfied.

[SPK] Through the results of these visits, how does the comrade chairman assess the current Cambodian-Japanese and Cambodian-Thai relations?

[Chea Sim] On the development of the Cambodian-Japanese relations, I would like to note that July is an important month in Cambodian-Japanese relations. During this month, three delegations from the Japanese parliament visited our State of Cambodia and I visited Japan for the first time. This is a concrete event which leads me to conclude that the bridge of Cambodian-Japanese relations is being rebuilt. The speed of the construction of this bridge is fast. This is really beneficial to the two peoples.

Concerning the Cambodian-Thai relations, through my visit and talks with high-ranking Thai leaders, I can conclude that a bridge of Cambodian-Thai relations has already been built and is waiting only for official inauguration. Over the past 12 years, the two peoples, through traditional relations, have been the major builders of this bridge.

I think the Cambodian-Japanese and Cambodian-Thai relations are at an important development stage, which contributes to not only serving the interests of the two peoples and countries but also to the cause of peace, friendship, stability, cooperation, and progress in the region and the world.

### Phnom Penh Rejects Opposition 'National Council'

*BK2107054891 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 19 Jul 91*

[Station commentary: "When will they stop violating the law?"]

[Text] For nearly one month, along with the violations of the voluntary cease-fire that the 12 Supreme National Council [SNC] members, including the Polpotist clique's representatives—Khieu Samphan and Son San—signed in Phatthaya in the presence of the cochairmen of the Paris International Conference on Cambodia and the special envoy of the UN secretary general, the clique has also arrogantly and blatantly encroached upon the law.

Shortly after the conclusion of the Phatthaya meeting, the genocidal Pol Pot gang has shamelessly carried out a propaganda campaign in villages, communes, districts, and provinces on the so-called establishment of a national council to replace the state authorities of the two existing governments in Cambodia—the State of Cambodia government which is controlling nearly 100 percent of the country and the exiled Cambodian national government.

This is a deliberate violation of the framework document, worked out and pronounced by the five permanent members of the UN Security Council [UNSC] on 28 August 1990, that the Polpotist clique has completely supported. Clause seven of the framework blueprint unambiguously stipulates that the Cambodian SNC should be the symbol of Cambodia's independence, sovereignty, and unity. The SNC will represent Cambodia in the international arena and will occupy Cambodia's seat at the United Nations, UN special agencies, various international institutions, and international conferences. These points have clearly established that the SNC is neither a state authority nor Cambodia's national government. Therefore, until free and just elections are held in Cambodia, something like a national council in villages, communes, districts, and provinces called by the Polpotist gang does not exist—no ifs, ands, or buts about it.

At the Phatthaya meeting, although the SNC has adopted its flag and anthem and decided to set up its headquarters in Phnom Penh, [words indistinct] its final communique has specified that the flags and anthems of various parties should be kept until general elections are held. This means that the SNC anthem and flag are designed only for use within the SNC itself. As for the flags and anthems of the two current governments in Cambodia, they will continue to preserve their identity until a new government is elected. In spite of the installation of the SNC headquarters in Phnom Penh starting from November this year, the State of Cambodia Government will continue to control the nearly 100 percent of the territory and population all the same. As such, from now until a new government is established, there is no state authority or individual who can replace the people's state authority. The so-called national council in villages, communes, districts, and provinces that the Polpotist gang has unilaterally set up should be punished according to the State of Cambodia's law which remains effective as always.

The Cambodian people wish to urge the Polpotist clique and its alliance to stop the illegal violation immediately. This means they should immediately put an end to their misinterpretation of what has already been agreed upon. In the past, the Polpotist gang used to violate human rights, goodwill, and morals. However, with goodwill to achieve an early peace and a national reconciliation, the State of Cambodia government has made concessions by allowing for the inclusion of the clique's representatives in the Cambodian SNC and letting them come to Phnom Penh as SNC members. So, it is really unfair that they exploit the State of Cambodia's goodwill and concessions.

The Cambodian people urge every individual or group that have been designated by the Polpotist gang as members of the so-called national council in villages, communes, districts, and provinces to hurriedly relinquish the illegal positions and present themselves without delay to the local state authorities. They should give up doing the futile thing at once. The Cambodian people categorically reject the so-called national council in villages, communes, districts, and provinces and are determined to implement the policy of "If three do not report, one will," joining forces with the people's state authorities in stamping out the traitorous organizations illegally created by the genocidal Pol Pot clique for the purpose of serving its strategic maneuver to topple the State of Cambodia regime and to again slaughter the people.

### SPK Reports on Foreign Interest in Tourism

*BK2107132891 Phnom Penh SPK in French 0410 GMT 21 Jul 91*

[Text] Phnom Penh 21 Jul (SPK)—Many private foreign companies have established relations with the State of Cambodia at a touristic level or have signed contracts for building hotels.

South of the four-star "Cambodiana" hotel (former casino) in Phnom Penh, the Indian firm "Cberoy" plans to build a hotel with between 200 and 250 rooms while the "Thai Bun Rong", a British-Thai association, and "Chrun You Hak," belonging to a Cambodian abroad, plan to build a 350-room hotel and a 200-room hotel respectively.

Furthermore, the Hong Kong firm "Francid", "Vina", and the French association "Mekong" are also studying the building of hotels in the Cambodian capital.

With three kinds of touristic sites—natural sites, historic or cultural, and developed sites—Cambodia has the possibility of attracting a great number of foreign tourists if its infrastructures allow.

Natural and original sites abound, such as the Mekong and Basak confluent whose current changes direction twice a year in Phnom Penh, waterfalls, and mountains with astonishing shapes linked to footprints [words indistinct], and in particular the Tonle Sap, the biggest lake in Southeast Asia and with the most bountiful fish in the world.

Located in a tropical region, Cambodia offers toursists, on top of its picturesque and diverse scenery, fauna amd flora, a coast rich in sea products and almost year-round sunshine.

Before the war, highland resorts were developed at Kirirom (Kompong Speu Province), Bokor and Toek Chhu, (Kampot Province), and Yeak Laom (northeast region), and two seaside resorts at Kep and Kompong Som.

According to historical data, the country is dotted with some 1,080 monuments, including the Angkor Wat temples, which some people refer to as the world's seventh marvel.

Tourist companies from Japan, Taiwan, South Korea, Singapore, Thailand, France, Britain, Canada, Italy, and Australia have established contacts with Cambodian tourist agencies for tours to the Angkor land.

## Sar Kheng Closes Political Indoctrination Course

*BK2107104391 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 21 Jul 91*

[Text] On the afternoon of 19 July at the central political school, a ceremony was solemnly held to close the first political doctrine training course under the chairmanship of Comrade Sar Kheng, member of party Central Committee Political Bureau, chief of the party Central Committee office, and chairman of the Central Organization Commission.

According to the report read by Comrade Khoeun Sophal, representative of the central political school's administration, the training course has to this day been held for almost a year. This is the first time that the central political school has embarked on a long training course on political doctrine for medium and high-ranking cadres from provinces, cities, and localities of our party and state. The essence of the program studied in this course includes philosophy, economics, politics, economic administration, and party building. The school also provided students with new knowledge through additional studies on experiences and history of the Vietnamese Communist Party, state and law, culture, and so on. This has enabled students to have a high degree of understanding on major and urgent issues of the current era in implementing and carrying out concrete activities and noble tasks for the nation and people.

Speaking on the occasion, Comrade Sar Kheng expresed admiration and high appreciation for the efforts of students to receive fruitful knowledge, which is worthy of pride. Comrade Sar Kheng talked about the evolution and changes of a political and peaceful solution to the Cambodian problem following the talks in Phatthaya, Thailand, and the recent informal meeting in Beijing.

Comrade Sar Kheng called on all students, upon returning to their localities, as leading cadres in the provinces, cities, ministries, services, units, and localities, to use this knowledge and concretely and effectively implement it. In particular, attention should be paid to propaganda work to motivate and educate the people and masses to clearly understand the current new situation and to actively take part in defending and building our country into a prosperous and glorious one.

## Bou Thang Decorates Units in 5th Military Region

*BK2107102191 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 21 Jul 91*

[Text] Comrade General Bou Thang—member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, and chief of the General Political Department of the Cambodian People's Armed Forces—recently bestowed the State Council's medals on units and individuals who were outstanding in performing their duty in the last dry season.

The awards consist of commending three armed units respectively of the 5th Military Region, Division 4, and Battambang Province's armed forces as distinguished units; conferring three first class, three second class, and one third class army medals on non-military units; bestowing the first, second, and third class army medals on five non-military individuals; conferring five first class, six second class, and one third class army medals on armed units; bestowing 11 first class, 42 second class, and 27 third class army medals on individuals; conferring three first, four second, and four third class national defense medals on armed units; and bestowing the first, second, and third class national defense medals on 791 cadres and combatants.

On that occasion, a number of armed units and individuals from the 5th Military Region were also given commendation certificates from the Council of Ministers and the Defense Ministry.

Taking the floor on that occasion, Comrade Bou Thang extolled the competent armed units and people in the military region for having closely joined forces to successfully defend their footholds and positions and maintain security for the local people. Comrade Bou Thang also briefed the audience about the process of seeking a solution for the Cambodian problem, particularly the recent meeting of the Supreme National Council in Phatthaya. He urged the cadres and combatants to continue paying attention to promoting inner-circle solidarity and building up their forces so as to defend their footholds and positions and safeguard the people's tranquillity at all costs.

## VODK on ASEAN Recognition of SNC

*BK2307070591 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 22 Jul 91*

[Station commentary: "The ASEAN countries welcome the Sihanouk-Led Supreme National Council functioning toward achieving a comprehensive political settlement of the Cambodian problem"]

[Text] After members of the Supreme National Council [SNC] from the four Cambodian factions unanimously agreed to elect Samdech Norodom Sihanouk as SNC president on 17 July 1991, on 19 July, the ASEAN foreign ministers who were attending the 24th ASEAN annual meeting in Kuala Lumpur, Malaysia, issued a communique on the Cambodian issue, welcoming the election of Samdech Norodom Sihanouk as SNC president and noting that it is necessary to officially recognize the Cambodian SNC since it can now function.

The ASEAN foreign ministers also welcomed the SNC's decision to send a delegation led by Samdech Norodom Sihanouk to attend the 46th UN General Assembly. The ASEAN foreign ministers expressed their conviction that the decision to set up the SNC headquarters in Phnom Penh would enable the SNC to fulfill its duty during the transitional period as the sole legitimate organization and the source of power representing Cambodia's independence, sovereignty, and national unity.

At the same time, the ASEAN foreign ministers also voiced support for and urged the Paris International Conference on Cambodia [PICC] and the five permanent members of the UN Security Council [UNSC] to continue assisting the Cambodian factions so that they can reach an agreement on the remaining problems in line with the draft agreement based on the framework document of the five UNSC permanent members.

The ASEAN countries as well as the international community have all wanted to settle the Cambodian problem as soon as possible to quickly put a permanent end to the Vietnamese war of aggression against Cambodia so that, on the one hand, Cambodia can regain peace, security, national independence, and stability with its territorial integrity and, on the other hand, Southeast Asia and the Asia-Pacific region can enjoy lasting peace, security, and stability. Therefore, they have been striving to accelerate settlement of the Cambodian problem through comprehensive political means in line with the framework document of the five UNSC permanent members, and promote Cambodian national reconciliation through the establishment of the SNC—with four Cambodian factions participating and Samdech Norodom Sihanouk as its president—for presenting the Cambodian nation both inside and outside the country as the sole legitimate organization and source of power symbolizing Cambodia's independence, sovereignty, and national unity.

Now that Samdech Norodom Sihanouk has been officially elected president of the SNC and the SNC has already begun its work to settle the Cambodian problem, the ASEAN countries, as well as the entire Cambodian people and world community, are very happy and welcome this.

Everyone is now well aware of the fact that the settlement of the Cambodian problem has now reached the final stage and is close to its final goal. Therefore, it is imperative to move forward. It is especially imperative to send the UN personnel to conduct overall supervision in Cambodia, particularly on the total withdrawal of the Vietnamese aggressor forces from Cambodia, the ceasefire, and the cessation of foreign military aid to all Cambodian factions.

If the supervision of the three above-mentioned questions is carried out fairly, Cambodia will certainly regain peace and security and the Cambodian people will be able to decide their own destiny through a free and fair election under UN supervision.

## VODK Calls SNC Meeting 'Step Forward'

*BK2107010691 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 19 Jul 91*

[Station commentary: "The outcome of the Supreme National Council meeting in Beijing is another step forward in the process of settling the Vietnamese war of aggression against Cambodia via a comprehensive political solution in accordance with the framework document of the five permanent members of the UN Security Council"]

[Text] Following two days of meetings in Beijing on 16-17 July, under the chairmanship of Samdech Norodom Sihanouk, the Supreme National Council [SNC] members of the four Cambodian parties agreed to a number of other issues, including:

1. The election of Samdech Norodom Sihanouk as the SNC chairman;

2. The decision to send an SNC delegation to the 46th UN General Assembly and on the composition of the delegation;

3. Sending a letter signed by Samdech Norodom Sihanouk to the UN secretary general reaffirming the acceptance of the 28 August 1990 framework document of the five permanent members of the UN Security Council [UNSC] and requesting the United Nations to dispatch a survey mission to evaluate the modalities of control and supervision and an appropriate number of UN personnel to monitor the cease-fire and verify the cessation of outside military aid in cooperation with the SNC military working group;

4. Setting up an operational SNC working group to draft the SNC rules and procedures, the principles of Cambodia's new constitution, and electoral laws, and to examine the modalities related to the installation of the SNC headquarters in Phnom Penh, and so on.

This is another success of the SNC meeting under the lofty chairmanship of Samdech Norodom Sihanouk. Notably, the SNC members of the four Cambodian parties unanimously elected Samdech Norodom Sihanouk as the plenipotentiary SNC chairman, thus enabling the council to function fully. This means that the council is now able to proceed toward settling the over 12-year Vietnamese war of aggression and invasion of Cambodia via a comprehensive political solution in compliance with the UN framework document.

The success of the SNC meeting in Beijing is another important step forward in the process of settling the Vietnamese war of aggression and invasion of Cambodia via a comprehensive political solution, allowing Cambodia to again enjoy independence, sovereignty, and self-determination within its territory.

The Cambodians enthusiastically welcome the fine success of the aforesaid SNC meeting and hope that the SNC headed by Samdech Norodom Sihanouk will continue its active mission to particularly motivate the United Nations' overall supervision and control over the withdrawal of all Vietnamese aggressor forces from Cambodia, cease-fire, and cessation of military aid with a view to putting an early end to the devastating war conducted by the Vietnamese in Cambodia, thereby eventually restoring peace, security, stability, independence, sovereignty, and self-determination to Cambodia.

## Indonesia

### Suharto Meeting With Maslyukov 22 Jul Detailed

*BK2207094891 Jakarta ANTARA in English 0917 GMT 22 Jul 91*

[Text] Jakarta, Jul 22 (OANA-ANTARA)—President Suharto has expressed Indonesia's readiness to respond positively to the Soviet Union's desire to step up economic and trade relations as the opportunity for the two countries to establish joint ventures is great.

This readiness was disclosed by Soviet Deputy Prime Minister Yuri Maslyukov to reporters at the end of his courtesy call on the president at the Merdeka Palace on Monday.

The head of state told Maslyukov who arrived here on Sunday night after attending the ASEAN (foreign) Ministerial Meeting (AMM) in Kuala Lumpur that Indonesia was ready to buy various products of the Soviet Union such as cotton and metal goods.

Meanwhile, the Soviet Union is eager to set up joint ventures with Indonesia such as for the processing of agricultural produce.

Maslyukov briefed President Suharto about President Mikhail Gorbachev's perestroika (economic restructuring) and glasnost (political opennes) policy. The Soviet Union, he said, could in this connection learn from Indonesian experience in shifting from a centralized economic system to a free pattern.

Maslyukov during the courtesy call also presented to President Suharto a letter from Gorbachev.

If you have the opportunity, ask President Suharto about it, he said replying to questions about the contents of the letter.

After the courtesy call, Maslyukov held talks with Coordinating Minister for Economy, Finance, and Industry Radius Prawiro on concrete steps that the two countries could take to broaden the scope of bilateral cooperation.

Maslyukov will be in Indonesia through Wednesday as guest of Radius Prawiro.

### Jakarta Plans To Invest in Soviet Union

*BK2207124991 Hong Kong AFP in English 0439 GMT 22 Jul 91*

[Text] Jakarta, July 22 (AFP)—Indonesia may invest in cotton and palm oil processing plants in the Soviet Union to help boost bilateral trade, officials here said Monday.

Coordinating Minister for Economy Radius Prawiro told reporters Indonesia would present these joint venture proposals during talks here Monday and Tuesday with a Soviet mission lead by Deputy Prime Minister Yuriy Maslyukov.

One would be used to process Soviet cottons before they were shipped to Indonesia while the other would refine Indonesian palm oil for marketing in the Soviet Union, Mr. Prawiro said.

He was speaking after accompanying Mr. Maslyukov to pay a courtesy call on President Suharto before the talks began.

The government hoped to encourage businessmen to invest in the Soviet Union and help with the economic development program there, he added.

Indonesia currently imports most of its cotton needs from the United States and China. It is also one of the world's largest palm oil producers.

Mr. Maslyukov arrived here on Sunday for a three-day visit.

He flew in from Kuala Lumpur where he attended the first formal meeting between the Soviet Union and the once-staunchly anti-communist Association of Southeast Asian Nations which groups Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

### Justice Ministers Discuss Trademark Protection

*BK2007090291 Jakarta ANTARA in English 0747 GMT 20 Jul 91*

[Text] Jakarta, Jul 20 (OANA-ANTARA)—Japan appreciates the Indonesian step in protecting foreign goods by way of refusing to register the trademarks of domestic products which are similar or almost similar to that of foreign ones.

Japanese Minister of Justice Megumu Sato expressed his government's thanks to the Indonesian Government on the matter when holding a meeting with Indonesian Minister of Justice Ismail Saleh here on Saturday.

Ismail Saleh told reporters that Japan appreciated the Indonesian Government for its efforts to protect foreign trademarks, including its efforts to settle the falsification problem of a Japanese trademark "Sony" for electronics products.

The Indonesian Government has since the issuance of a decree of the Ministry of Justice in May 1991, refused registration of the trademarks of a domestic products which are similar in writing or in pronouciation of those of foreign ones, the minister said. But sometimes, a foreign trademark is similar to that of domestically produced and has previously been registered, he added.

The minister pointed as an example to the Japanese trademark "Sogo" which an Indonesian cigarettes company had even used it tens of years ago as its trade mark. "If we run counter with such as case, did we imitate the trademark or ours were being imitated?," the minister questioned.

To avoid the use of similar foreign trademarks, Indonesia has asked its embassies abroad to make an inventory on foreign trademarks and send them to the government.

## Philippines

### Aquino on Bases Pact; NDF Threatens Americans

*HK2207055391 Quezon City MALAYA in English 22 Jul 91 pp 1, 2*

[By Marie Rose Feliciano]

[Text] President Aquino yesterday called on the public to support her campaign to get Senate ratification of a new miltary bases agreement with the United States.

The National Democratic vront [NDF] meanwhile, vowed to intensify the offensive against American officials against American officials directly involved in counter-insurgency activities following the new bases treaty with the United States. This includes assassination of key U.S. targets, it said.

In her weekly radio-television program Magtanong sa Pangulo ["Ask the President"], Mrs. Aquino said she is willing to go one-on-one with the senators just to convince them to ratify the bases agreement.

"I will appeal to them (senators) and also ask the people, if they believe that the agreement is satisfactory, to help me in lobbying at the Senate," she said?

The President appeared to be hinting that what has been billed as a "national consultation" might be called to boost the treaty's ratification chances. She had earlier said the people would be sounded out on their position before the agreement is submitted to the Senate.

The President did not say during the program whether she will call for a national consultation on the bases, although she had repeatedly said the past that a consultation before ratification was not prohibited by the Constitution.

The plan was strongly opposed by the Senate, especially Senate President Jovito Salonga, who had considered a consultation as a scheme designed to "embarrass" the chamber.

During the program, the President stressed that the Philippines got a fair deal from the Americans despite criticisms of the low compensation terms.

She said the negotiations were influenced by the Mt. Pinatubo eruption. The United States decided to abandon Clark Air Base due to the thick ash and mud deposits which had destroyed vital equipment and rendered the base completely inoperational.

Under the agreement, the United States is allowed to stay at Subic Naval Base for 10 more years in exchagne for $203 million in annual compensation. The President said the package is not limited to the direct payments and that the country will get more benefits through?debt condonation and debt relief, better trade relations with United States, and increased economic assistance.

Upon the return of Foreign Secretary Raul Manglapus, who is in Kuala Lumpur for the ASEAN ministerial conference, the executive branch will lobby for Senate ratification, Mrs. Aquino said.

She said an information campaign will be made to explain to the public the government's reasons for signing the bases treaty as part of the move, for ratification.

The President also rejected the call of the Senate to ask for a renegotiation of the bases agreement for the government to get a bigger compensation package.

She said this could be answered by the "program review group," which is made up of Filipino and American representatives, which will meet every year to review the bases agreement.

Mrs. Aquino also said that due to the damage wrought by Mt. Pinatubo in Clark, the bases conversion authority has to change its initial plans for Clark.

In a clandestine interview with newsmen outside Metro Manila, Fr. Frank Fernandez, NDF secretary general, said the New People's Army has the "moral high ground to intensify warfare against American officers directly involved in counter-insurgency activities."

Fernandez, however, said the NDF's offer of unilateral ceasefire remains on the condition that Senate rejects the bases agreement.

"Ka Alvin [Comrade Alvin]," a member of the NF national executive council, said that the liquidation of U.S. military personnel does not mean "open season for assassination."

"We have selective targets like the case of Jusmag officer Col. James Rowe," he said.

### Eleven Senators Vote No Regarding Bases Treaty

*HK2007084791 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 20 Jul 91*

[Text] Senate President Jovito Salonga said he has not received any copy of the final draft of the bases treaty. According to Salonga, what he has is just the rough draft of the treaty which contains the still unresolved issues. In this connection, Salonga figured that the final draft may still be under finalization by Philippine and Washington officials. The Senate president promised that upon receipt of the final draft, he will immediately call for a caucus to know the senators' position. Meanwhile, it was learned from Salonga that the senators who voted for an unconditional no regarding the bases treaty are Senators Agapito Aquino, Juan Ponce Enrile, Joseph Estrada, Teofisto Guingona Jr., Sotero Laurel, Orlando Mercado, Aquilino Pimentel Jr., Alberto Romulo, Rene Saguisag, Wigberto Tanada, and Victor Ziga.

### Defense Secretary Ramos Gives Turnover Speech

*HK2007042591 Quezon City DWDD Defense Department Radio in Tagalog 0135 GMT 20 Jul 91*

[Statement by outgoing Department of National Defense Secretary Fidel Ramos during turnover ceremony in Camp Aguinaldo, Quezon City—live in English]

[Text] Executive Secretary Frank Drilon, Secretary of National Defense Renato S. de Villa, Under Secretary Leo Quisumbing, Under Secretary Ed Ermita, Under Secretary Cipriano Gacis, distinguished members of the Senate and the House of Representatives, my former colleagues in the Cabinet and other high-ranking officials, your excellencies of the diplomatic corps, the governors who are present, other special guests, the officers and the enlisted personnel of the Armed Forces of the Philippines, civilian officials and employees of the Department of National Defense [DND], other friends, ladies and gentlemen.

This turnover ceremony closes the first 45 years of my public service, [applause] which began when I entered the United States Military Academy at West Point as a Philippine Government pensionado in 1946 at age 18. Through most of that time, the defense organization has been the official family with which I have been most promptly identified. Its civilian executives and employees and veterans, as well as the officers and the enlisted personnel of the Armed Forces have been my constant co-workers.

Today, at a time of crisis for our country, duty calls me to another unaccustomed field of public service. But I venture into the terrain of national politics confident and optimistic because I know I leave the Department of National Defense in dedicated and capable hands.

The DND [applause], the Armed Forces, defunct Philippine Constabulary-Integrated National Police, Camp Aguinaldo and Camp Crame provided the center of the EDSA [Epifanio de los Santos Avenue] People's Power revolution of 1986. Five years since EDSA [words indistinct] to provide a fortress for our democratic institution against the onslaught and ravages of the past and the challenges of the future. The chains of the past, its defects and excesses still cling to the present. The future on the other hand demands that we achieve national solidarity and growth before the year 2000 to catch up with our dynamic neighbors in Asia and the Pacific rim. If we can not, then ours would be the supreme humiliation of entering the 21st century on crutches.

At this stage, I submit that we have to project a new vision of EDSA. Such a vision will have to be vivid and compelling. It should be a vision that will freeze in their track those who preach that the only way out of our problems is revolutionary violence or a coup d'etat. Why is that vision so important today? The answer is that we were so enthralled by EDSA, so spellbound by the restoration of democracy and its institutions, that this alone seems to suffice as a vision. It was only much later that we realized that democracy was not self propelling. It did not flourish automatically. We have had to work hard to put it in place, and it had to be rebuilt from the ground up. And so, just like a ship that has been through a five-year storm, badly battered but unbroken, we take a stop anew. And what do we find? First of all, we find that we have succeeded in repelling and crushing all attempts to destroy what we have so painstakingly built up since EDSA. But in subduing these challenges hurled by the communist left, the southern secessionist, and the rebel right, our economic progress has come in fits and starts. As a result, mostly the affluent or well to do have been benefitted. The majority of our people continue to be mired in poverty. To make matters worse, the gap between the rich and the poor remains formidable. It is a gap that will take time to narrow. And this condition of poverty is now a social timebomb ticking away in the very crust of our society.

Second, we find that what has eluded us all along is genuine national unity. The Filipinos fought as a nation toward the end of the 19th century. We rebelled against the Spanish conquistador and after him, we fought the invading Yankee. In both instances, despite the heroism of Emilio Aguinaldo and his revolutionary army, we had to fall back before the vastly superior military might of the enemy. Both colonizing nations pursued a policy of divide and conquer, whose dire consequences are still with us today.

Third, we find that our political leadership has yet to close ranks around our president and commander in chief for the common welfare. This is not an indictment of our political leadership per se. It is more an indictment of our political culture where infinite patience is the virtue of the majority and abuse the handmaiden of a small minority. But to right this, our traditional culture based on political patronage must ultimately transforms itself.

The eruption of Mt. Pinatubo whose fallout we have had to endure over the last six weeks is maybe the latest in a series of natural and man-made disasters that have befallen us over this last five years. Individually, none of these misfortunes could fatally hurt a resilient economy and a government secure in its popular support. But our economy is beset by high prices, mass unemployment, lack of foreign investments, and a crippling national debt. Under these harsh circumstances, every natural disaster and every man-made crisis put at risk the very survival of our country. So, what shall we do to improve our situation? How are these challenges to be met? I believe we need now, more than ever, a fresh strategy for national survival and development. One that will not merely restore things to normal but move our country forward beyond just recovery into the hard fire of development.

To do this, we need to mobilize moral resources within ourselves. We need to generate a national consensus for stability and sustain development on a scale we have never known before. Mobilizing these inner resources will be difficult. Opinion surveys reflect the people's loss of confidence in so many of our political and civil institutions. The key to the success of a new strategy to my mind is to restore this popular confidence that has been eroded and to renew national faith that we can surmount disasters, natural or manmade, and setbacks and become the nation that we aspire to be.

In times of national crisis and tragedy, it has been suggested, societies in order to cope need to nurture the same spirit that enables them to prevail in war. The philosopher-psychologist William James calls this the process of finding the moral equivalent of war. By that he meant, the bringing out of those reserves of national energy that enable a country engaged in an armed conflict to martial all its efforts behind winning the struggle. To evoke from its citizens prodigious achievements of self-discipline, courage, selflessness, and self-sacrifice, all for national survival and the common good. This is the kind of attitude we need to raise from within ourselves if we are to successfully cope with the tremendous challenge we are facing now and in the years to come.

I am deeply gratified that the president has appointed as my successor a man we all know, respect, and admire. A man whose dedication to country, constitution, and people is beyond doubt. A leader whose courage and firmness under fire is renowned throughout the military establishment. I refer to Secretary Renato S. de Villa, [applause] who, by the way, is celebrating his birthday today. [applause]

I am confident that under Secretary De Villa's direction, the defense department and the Armed Forces of the Philippines will continue to be the strong bulwark of our democracy as during these past five years.

The defense establishment has achieved a great deal since February 1986. At the very beginning, we staked our lives to recover our people's liberty. Then we put them on the line again and again to defend our newly restored democracy against successive coup attempts and the armed challenge of the New People's Army [NPA]. We reestablished our tradition of the constitutional soldier by reuniting the armed forces with our people, and we put together a defense organization that was reinforced by civilian volunteers, the bantay-bayan [nation's sentinel] and territorial forces. And we developed a winning strategy against the communist insurgency that consisted of clearing, holding, consolidating, and finally developing the barangay affected by the CPP [Communist Party of the Philippines]-NPA. Some reforms we set out to do, we could not fully accomplish because these problems continue to be part and parcel of our historical infirmity. The modernization of our Armed Forces has been too long delayed. But I would like to thank Congress, members of the Senate and the House of Representatives, for enacting three [as heard] bills proposed by the Department of National Defense: the Veterans Code, the Witness Protection Law, the Anti-Coup Bill, and the Citizens Reservist Act among many others.

When I was starting out as a student soldier, the cold war was at its height, and the globe was divided into two power blocks, one individualistic and democratic, the other collectivist and communist.

Today, we are witnessing the decline of communism as an economic system and the rise of new power centers in Europe, the Middle East and Asia. Everywhere in the world, peoples who have been living on their knees are standing up to reclaim their lost liberty. And we Filipinos can justly claim that many of these dramatic struggles for human freedom in Eastern Europe and in East Asia were inspired by our own people's example of EDSA five years ago.

Ironically, we Filipinos are now beginning to realize that a people's struggle for freedom is never won in a single battle. This struggle must be fought again and again, and sometimes it must be waged against our own inner selves.

Today's struggle we must wage is against our own selfishness, our apathy, our factionalism, and our lack of community which prevent the national interest from making itself felt in the formulation of public policy. Now, a reformed political culture must become a means for our survival as our people clamor for change.

It is this effort to reform our politics that has compelled me in concert with many like-minded individuals and civic groups to enter the field of presidential politics. I do this as a patriotic duty and as an obligation. As a participant in a crusade that we ask all Filipinos of goodwill to join. We seek no less than a peaceful political revolution in Filipino society. And we think that the first step towards this peaceful revolution is to set free the individual Filipino's talent. To awaken the dormant genius of our people. To martial people's energy toward their own economic, political and cultural liberation. To make Mr. and Mrs. Juan de la Cruz more capable and more productive.

The empowerment of the people is our vision for our country. And this is the vision to which I shall dedicate the rest of my life. [applause]

I believe that crisis has a cleansing fire. I believe that there is hope for the Filipino. As Ninoy Aquino said, he is worth dying for. I believe that even as a volcano erupts and lahar flows, as a typhoon whirls and swoops down, these also purify as they destroy. I believe these nine years before the 20th century ends will be nine years of reform and reconstruction, renewal and rejuvenation. I believe most of our leaders would be equal to the task of bringing the nation to safe harbor. I believe most of them can eventually shed their ethnic biases and prejudices. I believe the Tagalog, the Hiligaynon, the Bicolano, the Pampangeno, the Muslim, and yes even the tribal communities and all the others can join hands to weave the only tapestry that matters to us—the Filipino nation.

I also believe we shall catch up with our neighbors in East and Southeast Asia, but the Philippines must maintain its key role in Asia-Pacific stability and security. I further believe that the genius of the Filipino will assert itself in the competitive market of the world. This is my faith, and this is my vision. God willing, I shall contribute my humble share in their realization.

As I say goodbye, perhaps for a while, to the only life I have known, which is public service, the many years of comradeship of the barracks, the long and lonely vigil over an area of responsibility, the dry-mouthed excitement of crisis, confrontation, and combat, the hardships and the simple pleasure which are the soldiers lot, I remember the debts of gratitude I have accumulated these many years. To President Corazon C. Aquino, I owe the most for the unstinting confidence she placed in me this last five years. And I thank her further for this surprise of today, which is the award of the Philippine Legion of Honor, degree of commander, for my having been the secretary of National Defense during the last three years. Thank you again, also Secretary Drilon. [applause]

To Secretary Rene de Villa and to many others too numeroous to name, I have drawn so much from your friendship that I know I shall always be indebted to you. To the officials, employees, officers on this ground of the defense department, I owe deeply for your loyal cooperation. My family joins me in all of these sentiments.

I thank our people and all of you for the support you have given me. I thank the good Lord for the gift of opportunity to serve. You can be sure I will stay steadfast, and that whatever fate may take me, this organization shall always be my last watering hole as a fountain of inspiration. [applause]

I now bid you farewell but carry on. Long live the Armed Forces of the Philippines. [applause] Long live the Department of National Defense. [applause] Long live the Republic of the Philippines. [applause] Thank you very much to all of you.

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## Article Views Political Role of Armed Forces

*HK2307003591 Manila THE MANILA CHRONICLE in English 20-26 Jul 91 pp 1, 7*

[By Manny Mogato]

[Text] Five years ago, a popular civilian-military uprising brought down an oppressive dictatorship and also opened the floodgates to democratization in the world's most unlikely places—from East Asia to Africa and from Latin America to eastern Europe.

Today, right where it all started, another chapter in the history of modern-day democracy is beginning to unfold: some officers of the Armed Forces of the Philippines (AFP) will try to contest political power through elections, not through the barrel of the gun.

It has been a common experience in Third World countries that military organizations usually grab political power or share it with civilians after regaining independence from colonial masters or from authoritarian regimes. The armed forces in Indonesia, for instance, have thought it their moral duty to share political powers with the civilians after leading a successful revolt against the Dutch after World War II. In Latin American republics, the presidency is often considered as merely "the highest rank in the army."

To be sure, it is reckless to deduce that the interest shown by Philippine military men in carrying their fight to the electoral arena represents a trend in the military toward an openhearted acceptance of the idea of taking power by a democratic vote. The seven failed coup attempts against the democratic leadership that had taken over Ferdinand Marcos' dictatorship are simply too much to ignore, not even if some of the officers now interested in electoral politics were themselves involved in some of these coups.

In any case, the issue is sure to add a dramatic dimension to present-day democracy movement. As it is, the larger issue, that of the role of the military in new democracies, has been the subject of lively and extensive discussions among political science students and military scholars, such as at a recent conference in Manila.

The conference was generally agreed that the beliefs and behavior of the military could considerably affect the democratization processes; an immediate withdrawal of the military from partisan politics would hasten the processes of democratization, but it could also reverse the situ?tion and begin a vicious cycle of alternating democratic a?d authoritarian regimes.

"If the military finally decides to yield power to new elites within the democratic framework, so much the better and the easier to elicit the military's cooperation in bringing the democratic transition into a hopefully successful conclusion," said a Philippine participant, Dr. Carolina Hemandez, a University of the Philippines (UP) political science professor and member of the commission formed to look into the causes of military rebellion in her country.

"But the task is1daunting when the military is divided on the issue, or when the military loses power through causes external to is such as strong civilian pressure, a popular revolt again authoritarian rule, and the like."

Another participant, Harold Crouch, an Australian political scientist, said the armed forces appeared to be one of the obstacles to be overcome in the slow and painful democratization processes. "In the Third World," he noted, "armies have often become involved in politics. In some countries, the military has taken power, in others the military constitutes a major political force in its own right while in only a few does the military pay no significant independent political role."

A man who has been watching things from a vantage point tells the CHRONICLE that separating the military from politics will be a difficult thing to do since soldiers are "politial animals too." He is Jose Almonte, a retired brigadier general and former AFP deputy chief of staff for civilian-military operations [word indistinct] and reportedly now a political strategist for Fidel Ramos, a leader in the People Power campaign that dislodged Marcos, AFP chief of staff and until recently defense secretary in the succeeding government and now a presidential aspirant.

"The military will continue tc be a prominent force in world affairs," Almonte says, pointing to the varied roles if plays in varied political conditions.

"In much of the west, the military protects stable societies and guards national frontiers," he says. "But, in less developed states, its role varies from being the guarantor of social order to being the midwife of revolutionary political and economic changes."

Quoting S. E. Finer, A British scholar and foremost student of the military in politics, Almonte says "the military's role in any specific country is conditioned by that country's level of political culture, or the derce of people's attachment to civilian institutions and their attitude toward the legitimacy of a specific government."

Almonte believes the Filipino nation has attained such a level of maturity and stability in its political culture that it will oppose any attempt to grab power through a coup. The theory, in fact, is offered that some of the coup plotters have decided to go into politics precisely because they know the coups are unpopular and doomed in this country.

Almonte notes lso that the officers corps of the armed forces h?s also attained such a level of rofessionalism that it was able to keep the greater number of the armed forces behind President Aquino's government in all those coup attempts.

But then again, there are a number of things that make the Philippine military different from the others in the Asean (Association of Southeast Asian Nations, grouping Philippines with Malaysia, Singapore, Indonesia, Thailand and Brunei) and from those in Latin American republics.

In Latin American republics, for example, the officers corps formed a privileged caste—exempted from civil responsibility and public liability. After Spanish colonies won their independence, beginning in the 1830s, the leaders of the revolutionary armies moved naturally into the political vacuum created by the recession of imperial authority.

The military caste which replaced the imperial authority has easily developed its own practorian traditions. Like the imperial guards in the declining years of the Roman empire, the military in many Latin American styates habitually interposed its policies and often its persons for those of the civilian authorities.

In Indonesia, the so-called "dual-function" doctrine gives the armed forces a governing as well as a military role. Since the nation owes its independence to the military, as the justification goes, the military was given seats in the parliament as well as top executive posts in civilian agencies.

Thailand has an almost similar situation a succession of generals ruled the country after the 1932 revolution. There were brief periods when the military had to concede some powers, but its political domination has remained. In the 1980, a significant transformation began. Open politics brought stabilization and economic progress.

Suchit Bunbongkan, a political science professor at the Chulalongkon University, told the Manila conference that "military regime (had been) a thing of the past" until the February coup this year. The military junta, that then deposed Thailand's first elected prime minister, has yet to call the election it has promised.

To Bunbongkan, Filipino military officers are more civlian-oriented in their thinking and approach than their counterparts in Bangkok.

Indeed, the large middle-class component of the Filipino officers corps makes it different from the Latin American and other Asean cases. For instance, the revolutionary armies that took over from the imperial authorities developed from colonial militias commanded by Philippine-born Spaniards or "crioes," who had the same caste privileges as the Spanish regulars or "peninsulares."

Almonte says these officers corps formed a privileged caste and developed a praetorian tradition—managing political successions on the bases of its corporate self-interests.

These corporate self-interests were apparently among he reasons why many military officers, including those in the active service, have chosen to run for public office in next year's elections.

A defense department official says many former military men have decided to seek elective positions not just to preserve what they call corporate interests but to defend the military itself from critics in the civilian government.

"Halos mamalimos na kast ang military sa Congress tuwing may budget hearings at parang hini naiintindihan ng ilang politicians ang mga pangangailangan ng military kaya naisip ng ilang retired officers na tumakbo sa eleksiyon [The military almost seems to beg congress everytime there is a budget hearing because it looks like some politicians do not understand the needs of the military so some retired officers would like to run in the election]," the official says.

Another retired general, Florencio Magsino, now head of the National Defense College of the Philippines (NDCP), believes some foolhardy officers are simply being pushed to run for public office by sycophantic followers. Mayroon talagang mga taong nang-uurot lamang at mga taga-sulsol na mga oportunista [There are so many people that urge others to do evil or improper acts]."

Magsino says most military officers do have good leadership qualities and will make good political leaders but have poor chances of winning elections. "Soldiers do not make promises but they expect efficient and prompt actions on whatever things they wanted to make happen. Hind sanay ang sundalo sa style ng mga politiko natin at hindi rin ito kakagatin ng tao dahil sanay sila sa mga trabahong publido [A soldier is not used to the style of our politics and the people will not buy it because they are used to doing a fine clean job]."

Some military officers, in fact, "are really committed to help and serve the country by seeking an elective position," he says.

Many military officers today retire at an early age to go into politics, and a few of them have been successful and are making good. Valerio Perez of Binmaley town in Pangasinan is an example.

A retired brigadier general and a former regional commander of the defunct Philippine Constabulary in Mindanao, Perez won as mayor in Pangasinan twice and was adjudged by civic and media groups in the Ilocos region as an outstanding municipal official several times.

There are also those who have gone into politics for personal achievement and for the power, he says. "Mayroon ding nasanay na maging commander lagi kaya gusto pa ring maging mayor or governor dahil gusto lamang ?iya ay power [Some are used to being a commander always and they like to be mayor or governor because what they only want is power]."

Others have self-interests to protect and still others have ended up enriching themselves and staying in politics to protect these fortunes, says one army colonel who now works as a consultant in a government agency.

For those detained for taking part in the coup attempts, the idea of an elective office seems attractive now that their military careers have been ended by their own misadventures. One of them is Alexander Noble, the army colonel who led a short-lived military uprising in northern Mindanao in October last year.

Another renegade officer with political plans is Leovic Dioneda, a former constabulary captain. He intends to run in his hometown in Sorsogon.

But even officers whose careers have been neither ruined nor threatened are seduced. Nicetas Katigabak, the police provincial director in Cavite, plans to run for a congressional seat in his hometown in Batangas. Of course, he comes from a political family.

But what about Maj. Gen. Alexander Aguirre, who has begun to flirt with the idea.

Fidel Ramos may well be the inspiration. His too will be the big test. Ramos has first to win ythe party nomination of the ruling coalition Laban ng Demokatikong Pilipino [Struggle of the Filipino Democrats] (LDP), of which he became a member only this year, before he can contest the presidency in May with party backing.

More than a dozen men from the military are intent on running in the same national elections. They surely have varied motives. What are those of the former coup plotters?

## Mindanao NDF Agrees to Government Peace Talks

*HK2207081891 Manila PHILIPPINE DAILY INQUIRER in English 22 Jul 91 pp 1, 12*

[Text] Davao City—The National Democratic Front [NDF] in Mindanao said it was agreeable to peace talks with the government, but only on a national, not regional or local level.

The NDF-Mindanao statement represents a departure from its August 1986 position of initiating peace talks on the regional level.

The NDF also proposed that the peace talks be monitored by a "neutral" international organization "which will hear truce violations and recommend steps to correct or penalize the violators."

The NDF statement was recently mailed to media outlets here by the BALITA NG MALAYANG PILIPINAS-MINDANAO [News From Free Philippines-Mindanao], the official news agency of the NDF regional chapter. The NDF is the umbrella group of all leftist underground organizations, including the Communist Party of the Philippines and the New People's Army [NPA].

The Cabinet committee on security and political affairs had earlier recommended peace talks with local communist leaders in areas affected by Mount Pinatubo's eruptions and in selected areas in Luzon, Visayas and Mindanao.

Military officials here seemed cool to the Cabinet committee's proposal for regional peace talks but local offi?ials in Southern Mindanao—the hotbed of insurgency in the island—welcomed the idea.

Severino Licad, NDF-Mindanao spokesman, said his group "cannot agree with the government's proposals of piecemeal peace...since (the country's basic problem which are) landlessness, U.S.-led imperialism in the form of the International Monetary Fund and the World Bank, militarization, graft and corruption and others, affect every Filipino from the most remote village to the plush, air- conditioned offices of the financial capital."

The first local ceasefire agreement between the government and communist rebels was signed in Davao del Norte on Aug. 14, 1986. On Dec. 10, 1986, the government and the NDF declared a nationwide truce which lasted until the collapse of peace talks a month later.

Licad said his group, which accounts for more than half of the total number of NPA guerillas in the country, "will negotiate only with civilian officials" in accordance with the principle of civilian supremacy over the military.

The NDF spokesman added that the NDF aims "not simply (for) a shortsighted and tentative reduction but a comprehensive settlement of the conflict...possible only through a nationally negotiated settlement."

Davao City Mayor Rodrigo Duterte earlier told reporters he welcomed a ceasefire and "would be very happy" to initiate peace talks on the local level if he were allowed to do so by the national government.

South Cobtabato Gov. Ismael Sueno said that while he was open to a local ceasefire talks, he preferred negotiations to be conducted on a national scale.

Davao del Sur Gov. Douglas Cagas suggested that "the personalities and the agenda and issues be made clear and identified, otherwise (the peace talks) would be a waste of time."

### Cosmos Plant Bombed; No Injuries Reported

*HK2007015191 Manila Far East Broadcasting Company*
*in Tagalog 0100 GMT 20 Jul 91*

[Text] Unidentified men bombed the Cosmos Bottling Corporation plant on Marcos highway in Cainta, Rizal. The police said they have not yet determined the kind of the powerful bomb used on the Cosmos plant. A jeep owned by the plant was torn to pieces by the strong explosion which left an excavation of six inches by three feet on the plant's concrete gate. The bombing occurred at 2320 last night. No one was reported injured in the bombing. Authorities are still determining the motive behind the bombing.

## Thailand

### Talks With PRC on U.S. Section 301 Sanctions

*BK2307035991 Bangkok BANGKOK POST in English*
*23 Jul 91 p 19*

[Text] Thailand will hold talks with China to exchange views on trade disputes with the United States over intellectual property rights.

Thailand and China are currently on the "priority foreign countries" list under Section 301 of the U.S. Trade Act because of inadequate protection of intellectual property rights.

Commerce Deputy Permanent Secretary Kroekkrai Chiraphaet, who takes charge of international trade negotiations, said yesterday that the Thai delegation would visit Beijing today to hold talks with Chinese representatives to exchange views on the issue.

The two countries were listed by the U.S. Trade Representative on April 26 this year and may face U.S. trade sactions if their governments do not improve the protection of intellectual property rights to suit U.S. demands by the year-end.

Mr Kroekkrai said the two parties would discuss the progress of their respective improvements in intellectual property right laws, as well as their positions on such issues as patent and copyright laws.

### ASEAN Free Trade Zone Not Exclusionary

*BK2307025991 Bangkok THE NATION in English*
*23 Jul 91 p A4*

[Text] Prime Minister Anan Panyarachun said yesterday an ASEAN free trade zone, a major step towards an integrated regional market, would attract greater foreign investments to countries in the regional grouping.

Anan said the free trade zone concept was not designed to counter any group of countries. "We only want to expand the ASEAN market," he told reporters.

ASEAN foreign ministers last week gave a major boost to the free trade zone proposal which was initiated by Anan in 1982 as part of a recommendation by an ASEAN task force to strengthen economic cooperation within the group.

Under the proposal, tariff barriers among the next ASEAN countries will be phased out to facilitate trade flow and intensify economic integration.

Anan said the removal of tariff barriers would encourage more foreign investments in the member countries.

"We have six markets in six ASEAN countries. We want to have only one integrated market," he said.

While admitting that there was a strong trade competition among the ASEAN countries in the past, Anan said the present economic conditions make it possible for the member countries to cooperate more closely.

Anan said a solution to the Cambodia conflict should pave the way for the ASEAN countries to have a more serious economic cooperation.

## ASEAN To Negotiate as Bloc With EC

*BK2307044391 Bangkok THE NATION in English 23 Jul 91 p B1*

[Text] The six ASEAN countries will negotiate with the European Community over the renewal of the textile pact as a group to strengthen their bargaining power with the 12-nation bloc.

Kroekkrai Chiraphaet, deputy permanent secretary-general of the Commerce Ministry, said yesterday that Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand, agreed at a meeting in Manila on July 17-18 that they would join forces in the textile negotiations with the EC.

ASEAN, he said, shared the common concern over the EC's new definitions of some garment and textile product categories which are subject to quotas and are very sensitive in ASEAN's viewpoint.

At the end of last year, the EC required that two-piece outfits be of the same colours and textures, a change which severely disrupted the exports of several garment categories from Thailand and other ASEAN countries.

Although preliminary talks between the EC and individual ASEAN members resulted in the Community's decision to review the quotas of some products, the move has raised uncertainty among traders and slowed down orders.

Moreover, ASEAN was not satisfied with the allocating systems of quotas among the individual 12 EC member states which have caused much confusion among the exporting countries. Apart from the aggregate EC quotas on textiles and garments, the exports to each member are limited by individual countries' quota allotments.

Kroekkrai said ASEAN wanted the individual countries' quotas to be done away with to create more flexibility in exporting the products to the 12-country grouping.

The bilateral textile agreement between Thailand and the EC will expire at the end of this year.

The ASEAN textile negotiators also agreed that they would seek the extension of their agreements by one year from the date of expiry. They would also negotiate collectively for an increase in the export quota to the unified Germany. Initially, Thailand has accepted the EC proposal to raise the quotas to Germany by 4.5 percent.

## Foreign Minister Nakayama Arrives in Bangkok

*OW2007062391 Tokyo KYODO in English 0544 GMT 20 Jul 91*

[Text] Bangkok, July 20 KYODO—Japanese Foreign Minister Taro Nakayama arrived in Bangkok from Amsterdam on Saturday on his way for Malaysia to attend a meeting of foreign ministers from the Association of Southeast Asian Nations (ASEAN) and its dialogue partners.

Nakayama will leave Bangkok on Sunday for the Malaysian capital, where a three-day meeting begins Monday between ASEAN foreign ministers and their counterparts from Japan, South Korea, the United States, Canada, Australia, New Zealand, and the European Community (EC).

Nakayama, who left Japan on July 10, already visited Ireland, Britain, the Netherlands, and Belgium. He accompanied Prime Minister Toshiki Kaifu in attending the London summit of seven major economic powers and in meeting with EC leaders in The Hague, the Netherlands.

He is returning to Tokyo on July 26.

## SRV Offer To Help Halt Arms Flow Declined

*BK2307032091 Bangkok THE NATION in English 23 Jul 91 p A2*

[Text] Thailand yesterday turned down an overture by Vietnam for the two countries and Laos to provide assurances to end the flow of foreign arms to the rival Cambodian factions.

Foreign Ministry Spokesman Sakthip Krairoek said Foreign Minister Asa Sarasin made the point during a closed-door discussion on Cambodia between ASEAN and its dialogue partners in Kuala Lumpur.

He said Thailand preferred to have the United Nations supervise and verify the end to foreign military aid.

At last month's peace talks in Phatthaya, the four Cambodian factions agreed not to take any more outside military assistance and to implement a ceasefire in the war-torn country.

Following the talks, the Vietnamese Foreign Ministry called on Thailand and Laos to work together with Vietnam to halt the arms flow as the three countries shared a common border with Cambodia.

In the past, Thailand allowed foreign arms to go through its territory to reach the anti-Phnom Penh resistance forces based along the Cambodian border.

Sakthip said Asa argued that Vietnam's idea could not be effectively carried out.

"Promises are not enough. Action is better than words," Sakthip said.

At yesterday's closed-door meeting, ASEAN touched on a number of other international issues with its seven dialogue partners, including developments in Eastern Europe and South Africa.

However, they agreed that discussions about developments in the Persian Gulf be postponed to today's session, after US Secretary of State James Baker arrives from Istanbul.

## Army Chief Suchinda Returns From China

*BK2207080291 Bangkok ZHONG HUA RIBAO in Chinese 22 Jul 91 p 4*

[Text] General Suchinda Khraprayun, deputy chairman of the National Peace Keeping Council and army commander in chief, arrived at the Air Force Headquarters Airport in Don Muang at 1645 on 21 July after completing his visit to China.

Gen. Suchinda did not give an interview to reporters at the airport.

## Official Denies Weapons Deal

*BK2207145591 Bangkok Army Television Channel 5 in Thai 1230 GMT 22 Jul 91*

[Text] Some newspapers commented that the purpose of Army Commander-in-chief General Suchinda Khraprayun and his delegation's visit to the PRC was to buy weapons because the United States has delayed its sale of M-60 tanks to the Thai armed forces. In this regard, Army Secretary Major General Anuson Kritsanaserani explained that the Army commander in chief and his delegation visited the PRC as guests of the Chinese Armed Forces. They visited weapons exhibitions during the visit. The Army secretary reaffirmed that there was no signing of an agreement on weapons purchase during the visit.

[Begin Anuson recording, in progress] The Army will buy weapons from any country if it has the budget, if the prices of the weapons are reasonable, and if there is a need for the weapons. Agencies concerned will hold a meeting to consider the procurement and to prevent any misunderstanding. There was no signing or conclusion of an agreement on weapons purchase during the visit. [end recording]

## Anan Urges Police To Arrest 'Real' Killers

*BK2107043291 Bangkok THE NATION in English 21 Jul 91 p A2*

[Excerpt] Prime Minister Anan Panyarachun said yesterday Thai law enforcement officials must prove their sincerity and bring to justice the perpetrators of the killing of three Saudi embassy officials early last year.

The prime minister said Thai authorities had passed "faulty information and even lies" to their Saudi counterparts who monitor the developments of investigation into the assassinations that took place in Bangkok.

"Whether the relations between Saudi Arabia and Thailand will improve depends on the determination of Thai (law enforcement) officials who must find out the truth and be sincere," he said when asked about the prospects for the bilateral ties between the two nations.

Anan was commenting on the Criminal Court's acquittal on Friday of Suchat Halabi, a suspect in the case, on the grounds that the evidence presented by pulic prosecutors were not sufficient to substantiate the charge against him.

"We must start to set the goal to arrest the real perpetrators now that the court has rejcted the case against the suspect," he said.

"I'm afaid you have to ask the police director general," the prime minister said when asked whether the court's rejection of the case meant that the suspect had been a scapegoat.

He said he hoped that Saudi authorities would appreciate the Thai Government's determination to bring to justice the assassins and their mastermind. [passage omitted]

## Prime Minister Receives Outgoing Soviet Envoy

*BK1907141391 Bangkok Army Television Channel 5 in Thai 1230 GMT 19 Jul 91*

[Text] At Government House this afternoon, Soviet Ambassador Anatoliy Volkov called on Prime Minister Anan Panyarachun to bid him farewell upon completing his post in Thailand. The prime minister said he regretted that the ambassador's tour was ending because he had played a major role in promoting Thai-Soviet relations. According to the prime minister, the ambassador said he felt that Thailand and the Soviet Union should continue to promote political, economic, and trade cooperation. He also expressed interest in cooperation among the ASEAN countries, particularly on establishing a free trade zone. The prime minister informed the Soviet ambassador that in addition to political cooperation, the ASEAN countries will set a clear target for economic cooperation as well as a specific time frame so that it will become a more effective organization.

## Diplomatic Appointments Announced 22 Jul

*BK2307094291 Bangkok Army Television Channel 5 in Thai 1230 GMT 22 Jul 91*

[Text] On 22 July at 1600, the crown prince granted an audience to Anatoliy Ivanovich Valkov, Soviet ambassador to Thailand, who has completed his tour of duty here. At 1615, the prince granted an audience to Chaiya Chindawong, Thai ambassador designate to Sweden, who will leave for his new assignment soon.

## French Minister Opposes Trying Khmer Rouge

*BK2307031991 Bangkok THE NATION in English 23 Jul 91 p A1*

[Text] French Deputy Foreign Minister Alain Vivien said yesterday France opposed the Phnom Penh Government's call for a Cambodian or international tribunal to try certain Khmer Rouge leaders for past atrocities committed during their 1975-78 rule of Cambodia.

Vivien, speaking in Bangkok before his departure for a trip to several Asia-Pacific capitals to promote ties with France, said that the court lacked a "legal basis," which would make it "impossible to guarantee that the court would give a fair ruling."

He said the call would obstruct the Cambodian peace process.

Phnom Penh has repeatedly called for a trial for Khmer Rouge top leaders who are held accountable for the deaths of at least hundreds of thousands of Cambodians during the radical Marxist group's rule.

On the question of change to the UN peace plan for Cambodia, specifically called by Phnom Penh for partial rather than total demobilization of the four factions' forces, Vivien said the issue was difficult as no formula for partial demobilization had been agreed upon yet.

## Paper Views Solution to Malaysian Problems

*BK1907020891 Bangkok BANGKOK POST in English 19 Jul 91 p 4*

[Editorial: "Key to Ironing Out Wrinkles With KL"]

[Text] Of all the countries which share a common border with Thailand, Malaysia is the closest neighbour with which Thailand has always enjoyed a cordial relationship. People-to-people contact has been extraordinarily friendly and warm despite cultural, language and religious differences. Of late however, the good relationship between the two countries seems to have been strained somewhat due to some untoward incidents involving the so-called "no man's land" and the alleged trespassing and illegal fishing by Thai vessels in Malaysian waters.

The raid late last month on shops dealing in contraband goods in the no man's land border area by a group of Thai officials which subsequently sparked off a protest from Malaysian authorities and the deployment of a detachment of Malaysian troops at the spot demonstrated the frustration on the part of Thai officials in their seemingly fruitless attempt to crack down on cross-border smuggling activities.

As confirmed by Thai Foreign Minister Asa Sarasin, the no man's land is on Malaysian territory and Kuala Lumpur has every right to do as it wishes with this small plot of land, about 160 rai in size. But the fact that the land has been turned into a safe haven for contraband smugglers on Thailand's doorstep, apparently with the connivance of Malaysian authorities does not in any way constitute a friendly act in conformity with the spirit of cooperation between the two countries.

Some years back, there was an agreement by the Thai-Malaysian regional committee which specified that each side build a two-kilometre-long wall five metres from the borderline in the Padang Besar area to create a neutral buffer zone as a deterrent against smuggling. A wall was built on the Thai side, but the one on Malaysian soil right at the spot where smuggling is rampant has yet to materialise. A fence was, somehow, built deep inside Malaysian territory creating what has become known as a safe haven for smugglers who allegedly smuggle hundreds of millions of baht worth of contraband goods, such as electrical appliances and preserved fruits into southern Thailand each year.

Another issue at stake is Kuala Lumpur's handling of the case involving Sorayut Sakunnasantisat, a Shi'ite Muslim radical, who is wanted in Thailand on lese majeste and instigation of public unrest charges in connection with a violent protest in Pattani. Thai officials maintain that Sorayut's recent arrest in Malaysia was the result of a tipoff by Thai investigators and want him deported to stand trial here. But recent reports suggest he may be tried in Malaysia on firearms possession and illegal entry charges.

Thailand has done its fair share as a good neighbour to help negotiate a peaceful settlement between Malaysia and the outlawed Communist Party of Malaya which had, for more than four decades, posed a security threat to Kuala Lumpur. But meanwhile the country continues to wage war alone against the separatist bandits—several of whom are known to have sanctuaries in northern Malaysian states across from the Thai border and receive support from some local Malaysian politicans. This problem has been, and remains, a stumbling bloc against an effective Thai crackdown on the separatist-bandit elements.

It is unfair, however, to put all the blame on Kuala Lumpur for the influx of contraband goods from Malaysia. The Thai side, too, must take its part of the blame for its failure to stem the tide of smuggled goods, either due to insufficient manpower with which to police the frontier or merely out of corruption on the part of unscrupulous officials. Thai fishermen, too, must learn to respect Malaysian law and refrain from illegal fishing in its waters. But all in all, turning a blind eye to the rampant smuggling activities in the no man's land will only serve to widen the chasm of mutual misunderstanding. And this situation will not be helped by Kuala Lumpur adopting too tough a stance on Thai trawlers merely traversing its coastline on their way to fish in international waters.

Although the few border incidents which flared up recently should not adversely affect the broader friendly relations between the two countries as the Malaysian authorities have publicly reassured, whatever mutual mistrust there might have been cannot be eliminated unless both sides demonstrate their sincerity in tackling the problems at hand. Only then can bilateral relations be further improved.

## 1992 Budget Forecasts 8.5 Percent Growth Rate

*BK2007015391 Bangkok THE NATION in English 20 Jul 91 p A1-A2*

[Text] The Bt [baht] 460.4 billion budget for fiscal year 1992, which Prime Minister Anan Panyarachun said was designed to ensure fiscal and economic stability while promoting growth and bridging the gap between urban and rural people, was unanimously passed in the first reading by the military-appointed National Assembly yesterday.

In a statement to the assembly, Anan stressed that his government had no plans to increase taxes. "On the contrary, the government will bring down unfairly high tax rates," he said in the statement which can be seen as a brief review of his government's performance in the past four months.

Highlighted in Anan's budget statement were the government's plans on decentralizing decision-making in provincial development, conservation of the environment and natural resource development, basic infrastructure development, solving of traffic and pollution problems in cities, and technological research and development.

Anan defended the Bt97.6 billion for defence and security, constituting 21 percent of the the total budget, as "compatible" with the current international political atmosphere and said it corresponds with the state of the country's economy.

The allocations for defence and security had normally been among the most heated subjects of debate in previous assemblies. It was not touched upon by the assemblymen yesterday.

Speaking to the assembly, Education Minister Ko Sawatphanit said he planned to seek a larger education budget when it is up for scrutiny by a committee to be appointed by the assembly.

The assembly, which began the session at 9 am, passed the budget bill after five hours of lacklustre debate. The atmosphere was completely in contrast with that which prevailed during previous governments when budget debates were often taken as an opportunity by opposition legislators to score political points.

A 35-man committee was set up after the bill was passed unanimously to scrutinize the legislation. The committee was given 15 days to present the bill back to the assembly for second and third readings.

The balanced budget represents an increase of 18.8 percent from that of last year. Anan said 90 percent of the government's revenue will come from taxes.

The Education and Defence ministries take the lion's share of the budget, being allocated Bt69.5 billion and Bt68.8 billion respectively.

Painting an encouraging picture of the Thai economy in the year to come, Anan told the assembly the growth rate is likely to hover around 8.5 percent while inflation will ease.

With a fiscal reserve of Bt180 billion, he said Thailand is in a very strong financial position. "The government is confident that it can maintain the financial strength to serve the future economic growth of the country. It has the goal of turning Thailand into a financial centre of the region by the turn of the century," Anan said.

In his statement, Anan emphasized his government's policy to decentralize decision-making in rural development as a means to bridge the income gap. He cited the Bt6 billion set aside as a provincial development budget and the fund to extend long-term assistance to farmers.

He said altogether the government is spending Bt30 billion in direct assistance to farmers and another Bt36 billion in rural development.

Anan said conserving the environment and fighting pollution are among his government's priorities. The government, he said, will spend Bt19.3 billion to finance reforestation, protect mangrove and forest reserves as well as solve the pollution problem nationwide.

Besides setting up a fund to rehabilitate the environment and improve the quality of life, Anan said the government will spend Bt3 billion to fight traffic jams.

Anan said the government plans to spend Bt31 billion to speed up development of basic infrastructure and will continue to promote the participation of the private sector in this area.

Anan noted that Bt114.5 billion of the budget will go to financing projects to develop human resources and tackle social problems through better education and public health services.

The prime minister said for the first time his government will set up a technological research and development fund, initially worth Bt1.2 billion.

## Authorities Plan Strategy To Shore Up Shares

*BK1907005591 Bangkok THE NATION in English 19 Jul 91 p A1*

[Text] Stock exchange authorities and brokers yesterday came up with a seven-point plan to shore up share prices which have undergone a battering recently in reaction to rumours and alleged short-selling of scrip.

The Stock Exchange of Thailand [SET], meanwhile, has commenced an investigation into the short-selling allegations involving three sub-brokers.

The seven measures agreed to by SET and 40 authorized brokers in the rescue effort are:

—Brokers will step up their surveillance on possible short-selling transactions. Short-sellers, those who sell stocks without having scrip in hand so they can take advantage of market trends, are to be regarded as criminal offenders. If they are brokers, their licences will be revoked, while sub-brokers will be barred from future activities.

—Brokers will consider boosting their portfolio investments in stocks with sound fundamentals and will not engage in dumping in a downward market.

—Brokers will emphasize to their clients the fundamentals of a stock and urge them to pay least attention to rumours.

—SET will review its information disclosure in the computerized trading system to reduce market sensitivity as proposed by brokers. Many investors, brokers said, were panicked by the disclosure of big-lot sales of certain stocks and made decisions without prudent and sound judgement.

—Brokers will help SET respond to rumours by informing their officials as soon as baseless information is disseminated in trading rooms, so that any facts can be confirmed.

—SET will accelerate the process for approving new stocks for trading to boost liquidity.

—SET will also speed up the discloure of financial results of listed and authorized companies so that investors can rely on fundamentals instead of rumours when they make decisions.

The measures were endorsed by SET president Maruai Phadungsit and Sukhum Singkhanwanit, president of the Association of SET Members, on Wednesday night in the wake of concern over sagging share prices.

Since July 2, the SET index has shed a total of 112 points to close at 652.54 yesterday. The market was rocked by unabated rumours ranging from a feared baht devaluation (which has been repeatedly dismissed by the authorities concerned) to political instability stemming from the conflict between Gen Chawalit Yongchaiyut and Gen Suchinda Khraprayun. A further dampening factor has been the delicate relations between caretaker premier Anan Panyarachun and the all-powerful National Peace Keeping Council.

Aside from rumours, analysts pointed to the tightened money markets and soaring interest rates as other causes of the share price slump.

To pursue its short-selling investigation, SET yesterday sent officials to gather information at J.F. Thanakhom Co. suspected of involvement in short-selling Thanayong Co, a speculative stock.

J.F. Thanakhom is Thanayong's financial advisor. The exchange also sought more information from subbrokers Chao Phraya Finance and Securities and Thai Rung Ruang Trust, also suspected of short-selling the stocks of Thanayong and Kritsada Mahanakhon.

A spokesman for Thai Rung Ruang Trust said the firm was a target of short-selling suspicions because it processed as much as Bt3.1 billion worth of orders last month. "These orders came from our big clients. But in the past week, we processed very few orders involving Thanayong or Kritsada Mahanakhon," he said.

A SET spokesman said it will take at least 2-3 days to check if there were really any short-selling transactions.

## Thailand Behind NIC Countries in Technology

*BK1907005391 Bangkok THE NATION in English 19 Jul 91 p B3*

[Text] Despite ten years of scientific and technological development, Thailand is still far behind the newly industrialized countries [NIC], though it is on a par with other ASEAN members, says a report from the research department of the Bangkok Bank Ltd.

If technological backwardness is not tackled in the next development plan, this country may find itself with a backward economy and serious environmental problems.

The Thai economy has been growing more rapidly than expected over the past few years, making it difficult for technological development to match the pace, putting Thai investors at a disdvantage with regard to technology transfer.

Thai spending on R&D is still very low—only 0.15 to 0.2 percent of GDP under the 5th Plan and only 0.21 to 0.22 percent under the 6th in 1987 and 1988, while the government's target was 0.5 percent. So it is expected that real expenditure will be below target and very low when compared to developed countries which spend some 2 to 2.9 percent and the newly industrialized countries which spend over 1 percent. In 1987 Thailand had only four R&D personnel per 10,000 population compared to 100 to 135 in developed countries.

Technological backwardness has rendered Thailand highly dependent on imported capital goods and with increasing foreign investment this dependency is growing. In 1990 imports of capital goods were Bt [baht] 327 billion or 38.8 percent of total imports.

In 1989 technological capital goods imports were Bt202.7 billion or 30.6 percent of total imports, Bt5.3 billion being intangibles like management fees worth Bt2.1 billion and Bt3.2 billion in patent and copyright fees. Thailand is most heavily dependent on Japan at Bt2.8 billion or 53 percent, and the USA at Bt0.9 billion or 16 percent. Japan plays a greater and growing technological role than the USA in Thailand, but unlike the USA, Japan does not demand the protection of intellectual property.

Japan is providing Thailand with more technological assistance, providing US$33.5 million in 1989, compared to only US$2.1 million from the USA.

The Thai private sector is pressuring Japan to grant more aid to train engineers. In response the Kaidanren has given an initial sum of Bt160 million for the Thai private sector to set up an engineering training institute which requires a total budget of Bt1,600 million. The Japanese government and private sector are willing to assist Thailand in this matter as it is the largest investor here.

## Suchinda 'Likely' To Be Named Supreme Commander

*BK2107034491 Bangkok BANGKOK POST in English 21 Jul 91 p 2*

[Text] Army Commander-in-chief Suchinda Khraprayun is likely to be named supreme commander concurrently with his army post, succeeding Gen Sunthon Khongsomphong who is due to retire at the end of September, informed military sources said yesterday.

The sources said an initial agreement has been reached among the military top brass to support Gen Suchinda assuming the additional post.

One source close to Defence Minister Praphat Kritsanachan said Gen Suchinda's holding of two key posts might provoke resentment among some senior officers who are considered more senior and next in line to succeed Gen Sunthon. They are the three deputy supreme commanders, Gen Phichit Kunlawanit, who is to retire next year, ACM [Air Chief Marshall] Woranat Aphichari and Adm [Admiral] Han Sakunphanit.

Both Gen Sunthon and Adm Praphat will have the final say in the appointment, with the former making the recommendation and the latter giving approval.

There is a likelihood Gen Phichit might quit if he fails to get promoted, the source said.

Gen Suchinda's supporters in the Army consider it vital for the armed forces to be united if the army chief takes dual posts, which would guarantee the transfer of power from the Army.

Gen Suchinda is from Chulachomklao Royal Military Academy's Class Five. His classmates include Gen Itsaraphong Nunphakdi, deputy commanderin-chief; Gen Wirot Saengsanit, chief-of-staff; Gen Wimon Wongwanit, assistant commander-in-chief and Gen Chatchom Kanlong, assistant commander-in-chief.

Significant posts in the Army also are controlled by Class 5 men and its supporters. The First Region Army that supervises the central region, including Bangkok, is controlled by another Class Five officer Lt-Gen San Siphen.

Last week, one of the Class 5 memebrs, Pol Gen Bunchu Wangkanon, was appointed new deputy police chief. The move will make it possible for him to be elevated to police chief soon provided that Class Five is still in control.

## New Constitution To Set Up Ombudsman's Office

*BK2007021391 Bangkok BANGKOK POST in English 19 Jul 91 p 1, 3*

[Text] The new Constitution will empower Parliament to set up an ombudsman's office to investigate public complaints against politicians and bureaucrats.

The Constitution Drafting Committee discussed the matter extensively yesterday with the aim of safeguarding the public interest, according to committee spokesman Dr Adun Wichiancharoen.

The Office of the Parliamentary Ombudsman would handle complaints against such people as the Prime Minister, Cabinet members and officials of government agencies, state enterprises and local administration bodies.

People could forward their complaints to the ombudsman if they were treated unfairly, discriminated against, or if they see officials are failing to comply with the law or acting beyond their legal authority. Such complaints could be lodged even if they have already been submitted to other government agencies.

Dr Adun said the ombudsman's office would enable the work of the administrative branch to be carried out more effectively.

The committee agreed there would be only one ombudsman, who would be appointed by His Majesty the King as proposed by Parliament where a majority vote would decide the nominee for the post.

The ombudsman, who would have a non-renewable term of five years, could subsequently appoint staff and ask for a budget to run the office. The one-term restriction would help the ombudsman to make decisions independently without having to worry that a decision may not be popular which could prevent his reappointment.

The ombudsman must have the same qualifications as required for members of the Constitutional Committee.

Dr Adun said the duties and authority of the ombudsman were widely discussed at the meeting. The only point agreed on was for the ombudsman to investigate complaints filed by the public against officials of government agencies, state enterprises and local administration organisations.

Following lengthy debate, the committee agreed complaints could be made against politicians holding administrative posts, including Cabinet members and the Prime Minister.

But the ombudsman could not act like a court. If a person was considered guilty the case would have to go to appropriate government agencies for further action.

If the ombudsman finds a Cabinet member guilty of malfeasance, the matter could only be passed to Parliament for action, which could take the form of a no-confidence debate, Dr Adun said.

Parliament could sack the ombudsman through a combined vote of at least two-thirds of the House of Representatives and the Senate.

Other points concerning the duties and authority of the ombudsman would be discussed at the next meeting, he said.

Former Solidarity Party MP for Khon Kaen, Suwit Khunkitti said the ombudsman's office must have real power otherwise the proposal would result in merely another paper tiger.

Mr Suwit, who was former chairman of the House of Representatives' Affairs Committee which originated the idea, said that to have true power the ombudsman would have to be backed by laws.

The office should report only to Parliament or its committees and must be staffed with knowledgable, neutral people unattached to any political parties, he said. Its staff should also operate in various regions, not only in Bangkok.

"The ombudsman must not be merely symbolic. He must do real work and be able to investigate and give orders to officials, otherwise he will be of no use," Mr Suwit said.

He said ombudsmen have long existed abroad and the Thai ombudsman should be paid adequaely to ensure that he does not encounter too much financial worry.

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## Deputy Prime Minister on Constitutional Tribunal

*BK2107040691 Bangkok THE NATION in English 21 Jul 91 p A1*

[Text] The Constitutional Tribunal formed under the new constitution should be expanded and given real powers to remove MPs, senators and cabinet members who are found to be corrupt or become disqualified for some reason or other, Deputy Prime Minister Michai Ruchuphan said.

Michai, who is also chairman of the constitution formulating panel, told THE NATION on Friday the tribunal should be expanded with members appointed by the Senate and the House of Representatives.

The main fault with the previous Constitutional Tribunal under the dismantled constitution was that the rule of unanimity was too rigid which turned the body into a paper tiger.

"We are thinking of something more than a majority decision, short of a unanimous vote. It can be two-thirds or three-fourths," Michai said.

Under the previous constitution, he said, the tribunal usually could not take any decisive action against an MP because anyone on the body could veto the majority decision.

This has already hapened in the past. Without naming names, Michai said a former prime minister once asked the then Parliament president, who is the chairman of the tribunal, to veto a decision against an MP to serve his own political purpose.

Under the previous constitution, the Parliament president, the chief public prosecutor and the chief judge of the Supreme Court were ex-officio on the Constitutional Tribunal.

Michai said the tribunal should be expanded to include the speaker of the Senate, who will serve as deputy chairman, three appointees nominated by the Senate and three others nominated by the House. The chief judge of the Supreme Court and the attorney general (the chief public prosecutor before the Public Prosecution Department was upgraded into an independent agency directly rasponsible to the prime minister under an order by the National Peace Keeping Council), would remain on the tribunal, the deputy premier said.

The establishment of an effective Constitutional Tribunal would supplement two new bodies agreed upon by Michai's committee—the nine-member Constitution Committee, which will recruit candidates to the Senate and take care of the "negative political side" of MPs and political appointees, and the Office of the Ombudsman, who will help detect and expose flaws in the administration, Michai said.

The Constitution Committee, often referred to as the Nine-man Council, will supervise the general election and investigate complaints of vote-buying or misconduct on the part of MPs and senators, apart from its political function to select candidates to the Senate, the said.

The committee does not have ruling powers but will rely on the Constitutional Tribunal by referring the results of its investigation against politicians in Parliament and Cabinet to it, said the deputy premier, who holds a high profile in legal affairs for Prime Minister Anan Panyarachun's caretaker Cabinet.

The ombudsman, meanwhile, will receive and investigate grievances aired by the people against any action by local and central government officials.

The scope of its purview, he clarified, does not cover only negligence of duties and malfeasance by administratrive officials, but also includes "flaws in policy guidelines" which cause hardships to the public.

"Officials' actions may be lawful but they may cause grievances," Michai said.

The ombudsman differs from the administrative courts in two aspects: the former does not have ruling powers while the latter can judge only according to the law.

But then will the ombudsman's office be a paper tiger like complaint officials at Government House? Not so, said Michai.

Government House complains officials only forward grievances to the responsible government agencies and that's it.

The Ombudsman's leverage lies in his power to access classified information in conducting an investigation and to request parliament to take up the issue if the executive branch ignores its findings and recommendations.

"Whether he will be a paper triger or not will depend on Parliament," Michai contended.

Another invisible leverage of the ombudsman is the constitutional requirement for him to make public all his findings.

"This is short of a sanction but it will place the executive and the legislative branch in the spotlight if they turn a blind eye to the problems which are real and should be resolved in the public interest," Michai said.

The ombudsman will be appointed by His Majesty the King at the recommendation by Parliament and only Parliament can remove him, Michai's panel ruled in its latest session. He will have his own office and staff.

Michai said these newly-created bodies, the more powerful Constitutional Tribunal, coupled with the powers of the Senate to call a no-confidence debate (without the power to cast the no-confidence votes like MPs) would combine to make a package of mechanisms which would help "ease political tension". They should make the constitutional system resilient enough to solve problems without external and unconstitutional interference, the deputy premier said.

"It's impossible to have a single body with vast powers to overcome a political crisis. And therefore, we have to think of a set of mechanisms to achieve the goal," he added.

Michai said that the panel also has yet to draw up the provisional clauses for the draft constitution, which is expected to be completed by Aug 15 and promulgated in time before the election probably in January or early February, next year.

Michai said that the provisional clause would touch on a body to assume the duties of the House and the Senate so the Constitution Committee can be formed to oversee the election. "There appears to be no choice but allowing the National Assembly to perform the duties," he admitted.

According to the draft constitution, the government, the Senate, the House and the Judicial Council will each appoint two members to the Constitution Committee, and the eight members wil elect an outsider as their chairman.

When the system has been established, Michai argued, the Constitution Commission will be a neutral body relatively independent from both politicians and military-led bureaucracy.

"The nine members must not be permanent officials so they would not fear the bureaucrats' powers," he said.

The provisional clause would also stipulate that the National Assembly, the Assets Examination Committee and other such bodies, would be dissolved on election day, he said.

Only the caretaker government would continue to stay until the new government is formed, he said.

## Editorial Discusses Role of Money in Politics

*BK2007025591 Bangkok THE NATION in English 20 Jul 91 p A8*

[Editorial: "Direct Subsidies Are No Solution to Money Politics"]

[Text] Most political parties in Thailand have no open fund-raising activities. Thus they rely heavily on the personal pockets of party executives, especially the party leader and secretary-general, to pay for their operational expenses. The party executives in turn have to solicit secret contributions from bankers, big businessmen, jao pho (wealthy men with criminal notoriety) and the like. If their parties are in power, then the money flows in from all directions. Some parties in the Chatchai administration are known to have held secret meetings to assign their ministers to raise funds to fill party coffers in preparation for a general election.

The New Aspiration Party [NAP] led by ex-army chief Gen Chawalit Yongchaiyut is trying to start conventional fund-raising activities, first by a membership recruitment drive across the country. The party claims to already have "several hundreds of thousands" of members. Its goal is to have at least one million registered members before the next general election.

Next, the party pulled off a big surprise by raking in nearly Bt29 million in a 100,000-baht-a-table dinner earlier this month. This must have made many other parties green with envy.

However, Bangkok Governor Maj Gen Chamlong Srimuang, leader of Phalang Tham Party, says his party will not emulate NAP's fund-raising extravaganza. He explicitly forbids Phalang Tham executives to do anything in "exchange" for contributions. But the ascetic party leader does accept contributions that come without any strings attached and relies more on volunteers and word of mouth in an election campaign.

Last week, Thiti Nakonthap of the newly-founded Justice Unity Party (Samakkhitham) floated the highly controversial idea of setting up a firm of professional lobbyists to raise funds for his party. To a highly successful lobbyist like Thiti, such a firm seems like a legitimate fund-raising source. At least the money will come to the party in a less secretive way. Theoretically, the government authorities may even have some control over it through a periodical tax audit of the lobbyist firm.

Critics deride Thiti's idea as a move toward blatant commercialization of national politics. One academic calls it the "best way to sell off Thailand".

Since most of the parties have neither a sizeable membership nor well-organized fund-raising activities, they have no regular source of income and so have to continue to depend on their executive members and other secret financiers. This was one of the root causes of money politics in the past when wealthy people set up parties to buy their way into power and would recoup their "investment" by peddling political influence and corruption.

Could direct government subsidies to political parties be the answer to this chronic problem? Maybe not. The government is not in a position to give all the parties enough money to spend in an election. In the next general election, at least 15 parties will contest for the 360 seats in the House of Representatives. If the campaign spending limit stays at Bt [baht] 350,000 per candidate, each of the parties will need Bt126 million to vie for all the House seats; the full government subsidy of all 15 parties would amount to Bt1,890 million.

For argument's sake, the subsidy could be justifiable if it indeed ensured a clean election, free of vote-buying and other cheating, and enabled smaller parties to compete with the bigger ones on an equal footing. Unfortunately, this is wishful thinking. For in reality, many of the potential candidates in the next election are prepared to spend—regardless of what the official spending limit is—millions of baht to stay in the race, and much, much more to win.

Government subsidies are therefore not the real answer. In light of these grim prospects, the Constitution Drafting Committee and, more importantly, the National Assembly which will soon begin its scrutiny of the draft constitution, must come up with a solution. Empowering the constitutional committee to police the election and audit the campaign spending of the parties and their candidates, and on-going regular auditing of their books, will keep the parties and their secret financiers on their toes. The present practice of auditing a party only after its dissolution is futile.

## Vietnam

### Commentary Expresses Support for SNC Communique

*BK2007120991 Hanoi Voice of Vietnam Network in Vietnamese 0015 GMT 19 July 91*

[Commentary by station correspondent Duong Quang Minh: "New Step of Progress Toward Settling the Cambodia Issue"]

[Text] The Sihanouk-Hun Sen joint communique, released on 17 July from the Diaoyutai State Guest House in Beijing where the unofficial meeting of Cambodia Supreme National Council [SNC], was held, pointed out the following noteworthy issues:

First, the policy of national reconciliation in Cambodia has moved forward by another important step. Hun Sen, chairman of the Council of Ministers of the Cambodian Government, agreed with the appointment of Samdech Norodom Sihanouk as president of the Cambodian SNC. In order to prepare for fully carrying out the role of SNC president, Samdech Norodom Sihanouk decided to resign from his position as both president of the Cambodian National Resistance and president of the National Government of Cambodia.

From now on, the prince will stand neutral, acting as a conciliator without belonging to any faction or political party.

National reconciliation has been a consistent policy of the Cambodian Government since the birth of the Kampuchean National United Front for National Salvation at the end of 1978 and especially since the Cambodian people gained their victory in the uprising on 7 January 1979.

This policy of national reconciliation has been practically proved in the meetings between Chairman Hun Sen and Prince Sihanouk, starting in France at the beginning of December 1987 and in their private meetings in August 1988 as well as at the Paris International Conference on Cambodia starting in July 1989.

Some of the main reasons why this miraculous revival has had the strength to protect their achievements, is that the Cambodian Government has the correct national unity policy, is compatible with the people's desire attracting the support of the Cambodian people, including people from all walks of life, social classes, and the intelligentsia in the country and overseas.

Everybody sees that the Cambodian Government has consistently tried its best to stop its people's bloodshed and to restore peace for the nation.

Second, through the Sihanouk-Hun Sen joint communique, we can see clearly that the Cambodian SNC has started to work and is gaining good initial results.

Following all the Cambodian factions' acceptance of the SNC's decision on an indefinite cease-fire and on an end to foriegn military aid, they are now sending a Cambodian delegation to attend the coming meeting of the UN General Assembly.

The SNC has also decided on the time and place for its next meeting which will be in Bangkok from 26 to 28 August. Therefore, in the time from 2 June until the end of August—less than three months—the SNC has scheduled four rounds of talks, including three rounds that have already taken place, with progress in each of the rounds. Moreover, the results achieved at each meeting have always been greater than at the previous one. This should be encouraged.

The road leading to a comprehensive political solution to the Cambodia issue is still littered with many obstacles, but we hope that the SNC will be ever more effective so that the country will no longer have to endure war and killing and that all the Cambodian factions will no longer accept foreign military aid which will result in good international relations.

National reconciliation is the correct road toward building a Cambodia of peace, independence, neutrality, and nonalignment. Thus, together with the world public, we support the Sihanouk-Hun Sen joint communique of 17 July in Beijing.

## Red Cross Message to PRC Counterpart on Flood

*BK1807074191 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 16 Jul 91*

[Message of sympathy from the Red Cross Society of Vietnam to the PRC Red Cross Society; dated 16 July]

[Text] We the Red Cross Society of Vietnam were shocked to learn that intermittent rains and flash floods in several provinces of China have caused considerable losses in lives and property to the fraternal Chinese people. On behalf of the 3 million members of the Red Cross Society of Vietnam, we would like to extend to the fraternal Chinese people, the PRC Red Cross Society, and the relatives and families of the victims our deepest regards and sympathy. It is our wish that your Red Cross Society will be able to overcome the aftermath of the calamities soon.

## Adviser Advocates Indochinese Economic Group

*BK1907015191 Bangkok THE NATION in English 19 Jul 91 p A1*

[By Oranut Anusaksathian]

[Text] An economic adviser to the Vietnamese Government yesterday proposed that the three Indochinese states should set up a ministerial-level committee to direct economic reforms in their backward countries and deal with its neighbours as the first step towards their integration into the international community.

Economist Dr Nguyen Xuan Oanh, who is a driving force behind Vietnam's economic reforms, also suggested that an "Indochina Development Fund" be established, with resources pooled from regional banks such as the Philippines-based Asian Development Bank (ADB) and donor countries including the six ASEAN members, to propel the three countries' economic drives.

He said that Hanoi plans to achieve the "stage of economic take-off" by the end of this century.

Laotian Minister of External Economic Relations Phao Bounnaphon meanwhile, responded cautiously to the unexpected proposal, saying that Laos would need to explore it further.

There are already existing mechanisms such as bilateral commissions on commercial, social and cultural affairs with Vietnam and Cambodia, the minister noted.

The proposal is understood to be directed toward ministers of Indochina's immediate neighbours, the six ASEAN nations, who are gathering in Kuala Lumpur for their annual meeting, and all of the Cambodian factions, who are holding talks in Beijing to formulate measures to verify a ceasefire and cessation of foreign military aid in that country.

Oanh stressed that the efforts at restructuring have no other objective than putting an end to the decade-long self-imposed isolation of Indochina, and integrating their economies in the world community.

"Understandably, the first step should be with a regional scheme, such as (with) ASEAN, and later with international organizations," Oanh said in a prepared statement he released to THE NATION.

ASEAN groups together Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

Oanh, a Harvard graduate, made the statement in the presence of Vietnamese Ambassador to Thailand Dr Nguyen Van Trung at the first of a two-day discussion on Indochina in the 1990s being organized as part of the international conference of the East-West Centre Alumni at the Asia Hotel.

He was confident that through this joint ministerial committee, Vietnam, Laos and later Cambodia would be able to work together to solve their common and individual problems.

Oanh suggested that the Indochina Development Fund, which he said should be funded mainly by soft loans from international banks and donor countries, would be essential in assisting the three countries in carrying out their restructuring programmes.

### Paper Production Venture Established With Canada

*BK2107154991 Hanoi VNA in English 1425 GMT 21 Jul 91*

[Text] Hanoi VNA July 21—OSCAN, a joint venture between the Mill Service Company (OSC) in Vung Tau seaside town and the Canam Company of Canada has installed a production line of toilet paper.

The joint venture has invested US dollars $200,000 to import two Taiwanese automatic machines; the production line has a capacity of tens of millions of products a year to meet the the demand of the country's tourist industry.

### Increase in Jan-Jun 1991 Export-Import Value

*BK2107153391 Hanoi VNA in English 1423 GMT 21 Jul 91*

[Text] Hanoi VNA July 21—In the first half of this year, the country achieved an export-import value of $715 million U.S. dollars and 69 million roubles, a slight increase over the same period last year, it is reported by the Ministry of Trade.

The biggest increases are posted in the export of coal, tin, crude oil, processed meat, jute, and maritime products, while substantial decreases are recorded in the export of rice, consumer goods, rattan and bamboo articles, arts and crafts, vegetables, fruits and floorboard.

In the latter half of this year, Vietnam will increase the export of crude oil, rice, coal, rubber, maritime products, wood and groundnut in the traditional markets, and seek new outlets for consumer goods, farm and forest products and arts and crafts with a view to achieving more than U.S.$ one billion total value, up by 200 million USD [U.S. dollars] over the first six months.

### Talks Held With Malaysian Experts 15-19 Jul

*BK2007151191 Hanoi VNA in English 1441 GMT 20 Jul 91*

[Text] Hanoi VNA July 20—A discussion on the organisation and functioning of the state apparatus was jointly held in Hanoi from July 15-19 by the Central Administration School of Vietnam and a group of the visiting 6-member Malaysian experts' delegation.

Taking part in the discussion, chaired by the doctor of the school, Dao Trong Truyen, were researchers of concerned offices and institutes in Vietnam such as the Ministry of Justice, the Ministry of Foreign Affairs, the Institute of Social Sciences, and the Nguyen Ai Quoc Institute. The Malaysian group was represented by Doctor Professor Visu Sinnadurai and two lawyers, Haji Mohamed Noor and Augustine Paul.

The two sides exchanged and discussed the concepts and principles to be used as basis for political institutions.

### Meeting Held To Mark Cuban Anniversary

*BK2107083791 Hanoi VNA in English 0546 GMT 21 Jul 91*

[Text] Hanoi VNA July 21—A mass meeting was held in Dong Hoi town in the central province of Quang Binh Saturday, 20 July, to mark the 38th anniversary of Cuban Patriotic Forces' attack on the Moncada Barracks of the Batista regime in Cuba (26 July). Addressing the meeting, Chairman of the Provincial People's Committee Tran Su and Cuban Ambassador to Vietnam, Armando Saucedo Yero, recalled the glorious revolutionary tradition of the Cuban people, and praised the solidarity between the two peoples.

### Cooperation Protocol With Laos on Land Transport

*BK2207075391 Hanoi VNA in English 0627 GMT 22 Jul 91*

[Text] Hanoi VNA July 22—A protocol on Vietnamese and Laos cooperation in management of the freight and passenger traffic by land between the two countries has been signed here.

The signatories were the Vietnamese Ministry of Communications, Transport and Post and the Laos Ministry of Communications, Transportation and Telecommunications, on behalf of the two governments.

### Nong Duc Manh Speaks at 7th CPV Congress

*BK1907060591 Hanoi NHAN DAN in Vietnamese 2 Jul 91, p 2*

["Excerpts" of Statement by Nong Duc Manh, Delegate from Lang Son Province, at the 24 June Afternoon session of the seventh national party congress in Hanoi Ba Dinh Conference Hall]

[Text] To allow the seventh party congress resolutions to enter practical life and the various policies and lines become realities, even though everyone knows that it is very difficult to resolve the complex and long-term problems of ethnic people of various nationalities and mountainous regions which call for time and many works to be done in many domains, I concur with the measures mentioned in this congress which are: In the next five years plans must be established to exploit the strengths of midlands and mountainous regions in order to create definite changes in some regions and separate policies and measures must be adopted toward mountainous regions and areas of ethnic minority people.

In such a spirit, I would like to present some pressing problems of the regions of ethnic minorities in our country. I hope that my contributions will help resolve the problems gradually, practically, and effectively in the application of the seventh party congress resolutions to the ethnic minority lifestyle.

There are 54 nationalities representing more than 8 million ethnic minority people living in the great Vietnamese national family who, together with all the people and party members, have shared the burden of building and defending the country, made great contributions to the victory of the revolution and firmly preserved the independence and sovereignty of the country.

The reunification of the country to advance to socialism has created favorable conditions for the economic, cultural, and social development of mountainous regions and for fulfilling the aspiration of the party and the ethnic minorities to bring the mountainous regions up to the par of the nation. In many localities, the face of the rural areas and mountainous regions has definitely changed with the appearance of some communities, townships and major industrial complexes. In some others, electricity has been available. People in mountainous regions have step by step come to grips with technological achievements and ethnic children have received training to become technicians and scientific and managerial cadres. Particularly, over the past few years, the ethnic minorities have displayed much effort in renovating the country and have achieved some very important initial progress. Yet, in general this progress is still insignificant as compared to the original potential and requirements for development of mountainous regions and of the ethnic minorities themselves. The level of socioeconomic development in the areas of ethnic minorities is still very low. There still are large percentages of people engaged in nomadic life and farming of the natural economy. In fact, there are no premises for building and developing the economy of goods. Poverty, diseases, poor education, and illiteracy are painful problems in quite a number of localities. Recently, social negativism such as gambling, drug addiction, and bad customs have reappeared. Reactionary and hostile forces have capitalized on shortcomings in the implementation of national policies to subtly and intensively incite subversion.

The ethnic minorities are facing great ordeals: Proceeding from the natural, autarkic, and backward economy, they now have to actively surge forward to establish the economy of goods with a new management mechanism. Meanwhile, the regions of ethnic minorities have their own characteristics (mores, thought, customs, habits, psychology...) which are complex and heavily traditional. As yet, we have normally covered too much work in our lines and policies of resolving problems of the ethnic minority regions. However, since action does not follow one's wish, measures taken are not uniform, work is half-finished in some localities and at certain moments, and words do not match with deeds, the many published policies have brought about very limited realistic results.

I, for one, think that now efforts should be concentrated on resolving the following problems regarding the regions of ethnic minorities:

First, we should, at an early date, seek an understanding of, and formulate plans for, implementating various policies, especially orientations for economic, cultural, and social development in the areas of ethnic minorities, considering this a common task for the entire country under a general socioeconomic development strategy. Meanwhile, every ethnic group in our country, small or large, majority or minority, must also consider this an undertaking of its own.

Second, along with gradually developing the market economy, the state—being the largest responsible organization, is the apparatus in charge of tasks regarding ethnic groups—should review all previous tasks and establish a practical plan to gradually and uniformly develop the economic, political, cultural, social, security and national defense aspects of these groups.

To begin with, we must boldly adjust the production relations to suit the nature and standard of production forces—based on their economic performance—in order to really respect the right to self-determination of each region and each ethnic group in selecting the economic form suitable to its characteristics, conditions and capabilities, and to resolutely oppose mechanical plagiarism, formalism and imposition. In this direction, we will review all economic and national defense organizations in accordance with the criteria for productivity, quality and efficiency; broadly apply all the appropriate economic forms of transition going from low to high levels; pay special attention to the consolidation and establishment of models for developing the family-based economy—considering it one of important strategic orientations; create facilities for the redistribution of labor in each social cell; gradually extricate the people from the natural economy; and contribute to overcoming the problem of land disputes. We must truly define the laboring people's right to mastery over their land and forest areas.

Third, new guidelines and procedures for building a contingent of ethnic cadres must be defined.

Finally, human beings remain a decisive factor in the long-term and steady development of ethnic peoples of all nationalities. Our party and ethnic people have long desired to build a contingent of steady key cadres for each ethnic group. However, this is a very difficult problem because it involves the whole process of educational and cultural development in the entire country and nation, and of the mountainous regions and ethnic people of all nationalities in particular. It also involves the need to raise the intellectual level of each ethnic group. It depends a great deal on the appropriate guidelines and policies and the material conditions and facilities aimed at successfully conducting the basic and advanced training of ethnic cadres.

I, for one, think that we should do the following immediately:

—Increase investments (even though we have to recduce investments in some projects) in building schools and classes to train general school teachers, and ensure that enough teachers are trained on the spot so that they can be employed immediately upon completion of training without having to be transferred to another region.

—Reorganize the system of general schools at grassroots level, especially in the highlands and in thinly populated areas. Classes can be held in hamlets or communities (popular classes can be organized).

—Along with the minimal program for eliminating illiteracy, strive to universalize the Level I education for young people and teenagers in accordance with the reform program suitable to each ethnic group.

—Children of ethnic people who come from low lying lands to settle and work in difficult mountainous regions should be exempted from paying tuition fees.

—While constantly universalizing the use of popular language, it is necessary to respect the dialects of ethnic groups and create conditions for them to maintain their dialects as required.

—Based on the requirements for socioeconomic development of mountainous regions in general, and of each region and each ethnic group in particular, expand and consolidate the system of general boarding schools, work and study schools, vocational schools and pre-university and professional classes.

—Regarding the smallest ethnic groups, there should be special training and treatment systems (recruiting, selection, scholarship, transportation..) to create the most favorable conditions for the children of these ethnic people to go to school.

—Expand the short-term basic and advanced training programs for cadres involved in leading, management, education, health, culture, and applied science and technology, especially in districts and villages.

—Restore classes reserved for cadres of mountainous regions and ethnic groups in party, administrative, economic management and mass organization schools (at both central and local levels) and give satisfactory priority treatment to students of these schools.

## State Bank Releases Decision on Interest Rates

*BK1907111591 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 10 Jul 91*

[Text] This afternoon, the Vietnam State Bank held a news conference to release the decisions of its director general on the change of interest rates on savings accounts; interest rates on loans to households for agricultural, forestry, fishing, and farming production; and the maximum interest rate for loans to non-state credit organizations. The practical contents of the decisions are as follows:

On savings accounts: The interest rate for a three-month fixed-term savings account is 3.5 percent per month; the interest rate for a savings account is 2.1 percent per month. The interest rates regulated by this decision will be in effect on 11 July 1991. The balance of the savings accounts at the end of 10 July 1991 will be calculated under the new interest rate stipulated in this decision. The old 4 percent interest rate applies to balances in three-month fixed-term savings accounts deposited before 11 July 1991 until the term written in the account expires. The interest rates stipulated by Decision 18 of the State Bank on 19 March 1990 will not be effective on 11 July 1991.

The interest rates on loans to households for agricultural, forestry, fishing, and gardening production on different areas are as follows:

The Mekong River delta: Maximum 6 percent per month.

The Red River delta, the central coastline, and the eastern Nam Bo: Maximum 5 percent per month.

The midlands and mountainous areas in the north, the Central Highlands, and the former zone four: Maximum 4 percent per month.

The high mountainous areas, island areas, areas of the Khmer ethnic minority: Maximum 3 percent per month.

The interest rates regulated by this decision for state commercial banks in relation to loans provided to households are effective from 11 July 1991. The old agreed interest rate will be used to calculate interest on debt balances from before 10 July 1991 until the loan agreement expires. The interest rates mentioned in point two of Decision 173 of the Agricultural Bank director general on 25 December 1989 are no longer effective.

The maximum interest rate on loans that can be charged by non-state credit organizations, shared commercial banks, and credit cooperatives is now regulated at 6 percent per month. All of the above-mentioned credit organizations can define their interest rates for loans and for deposit accounts according to the maximum monthly or quarterly interest rate but they must guarantee that the monthly interest rate is no higher than two percent compared with the deposit interest rate. The maximum interest rate regulated by this decision will be in effect on 11 July 1991, replacing previous documents on interest rates for the above-mentioned credit organizations. The rate of interest on the balances of loans and deposit accounts before 10 July 1991 will be calculated at the old interest rate written on the agreement or deposit slip until the term expires.

### Voters Give Views on Socioeconomic Situation

*BK1907131291 Hanoi Voice of Vietnam in English 1000 GMT 19 Jul 91*

[Text] Voters in Ho Chi Minh City have asked their representatives to forward to the upcoming session of the National Assembly their recommendations on the present socioeconomic situation.

During their meeting on Tuesday [16 July] with a group of MP's in the city, voters said the Constitution should be revised in such a way as to ensure more progressive state institutions and firmer state control through law enforcement. The present penal code, they said, should be amended to prevent erratic application. They pointed to the many complications in land disputes and the many impracticalities in the press law. Salaries are a major problem that causes much concern. Attention was drawn to school teachers, health workers, policemen, and soldiers for they are the lowest-paid group among the salaried workers.

### Heavy Rains Cause Extensive Damage in Provinces

*BK2207093291 Hanoi VNA in English 0625 GMT 22 Jul 91*

[Text] Hanoi VNA July 22—Torrential rains in four days from July 15 caused extensive damage to the two northwestern mountain provinces of Son La and Lai Chau.

Heavy rains in Son La Province swelled the Ma and Da rivers to the highest level since 1972, submerging more than 200 houses and vast rice fields and washing away or seriously damaging many bridges.

In Lai Chau Province, torrential rains measuring 239-299mm submerged the airstrip and many residential areas and ruined a number of irrigation works and portions of roads.

### Ministry Holds Conference on Tax Collection

*BK2007141791 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 11 Jul 91*

[Text] In Hanoi, the Ministry of Finance held a conference to review the work of tax collection in the first six months of 1991 and to discuss measures for work in the final six months.

For the first six months, tax collection throughout the country reached more than 46 percent of the yearly plan including collection from state-run enterprises which reached more than 48 percent, collection of industrial and commercial taxes which reached 40 percent, and collection of agricultural taxes which reached 43 percent.

Out of 44 provinces and cities, 35 reached more than 42 percent of the yearly plan, including 19 localities which yielded more than 50 percent of the plan.

The six-month tax collection from state-run enterprises had fairly good results: The revenue was put toward the national budget quicker and in greater quantity than the same period last year, and enterprises observed a better sense of responsibility for paying taxes.

For non-state economic components, many localities have applied measures against cases of tax losses, including measures to check on the number of households engaged in trading and production in different areas and streets according to type and size of business so they can be entered into a tax management system. In particular, the collection of commercial license taxes is fairly good. In the first six months, the sector has overfullfilled the collection of this tax.

However, in some localities, the collection of taxes on animal killing, national resource exploitation, registration, and special consumption of some goods is still suffering great losses.

At the conference, delegates from local tax offices suggested measures to contribute to successful tax collection in the last six months in three areas: state-run economic units, industrial and commercial units, and agriculture.

### Pham The Duyet Chairs Hanoi Conference

*BK2107104991 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 15 Jul 91*

[Text] On 13 July, the Hanoi Standing Party Committee had a working session with comrades in charge of production and trading units of the central level and Hanoi City. Comrade Pham The Duyet, member of the party Political Bureau and secretary of the Hanoi Party Committee presided over the conference.

At the conference, leading cadres of general companies and federated enterprises affirmed their duties and aspirations to contribute to the construction of the capital so Hanoi can become a political, economic, and cultural center of the nation.

In order to achieve this target, apart from investments at the central level, Hanoi needs to have its own measures to renew the management structure, create conditions for the development of economic components, and attract foreign investment.

Exchanging opinions with the leading cadres of the production and commercial units of the central level and of Hanoi City, Comrade Pham The Duyet expressed his wish that the general companies and federated enterprises will help Hanoi to broaden production and trading, develop the export market, and attract more labor. In order to achieve that result, the city needs to continue renewing its management structure and to create conditions for Hanoi sectors and enterprises to work more efficiently. In the future, if they cannot help Hanoi with full investment, general companies and federated enterprises of the central level should invest some of their own units in the Hanoi area so new industrial products can be made, contributing to the increased output of good quality products from Hanoi.

### Agenda of Ninth National Assembly Session

*BK2307103191 Hanoi Voice of Vietnam in English 1000 GMT 23 Jul 91*

[Text] A press conference was held on Tuesday afternoon by the Office of the Vietnamese National Assembly to introduce the agenda of the ninth session of the National Assembly, eighth legislature.

Mr. Vu Mao, head of the office, said: The Vietnamese National Assembly will meet in 15 days as from July 27th. This session is of important significance to enhancing the results of the Seventh National Congress of the Communist Party of Vietnam [CPV].

The National Assembly will discuss the draft amendments of the 1980 Constitution and decide many other problems to institutionalize the resolution of the seventh party congress, continue promoting the comprehensive renovation, building and defending the socialist fatherland of Vietnam.

Also at this session, General Secretary of the CPV Do Muoi will deliver an important speech.

The session will elect a new chairman of the Council of Ministers and a number of members of the Council of Ministers.

### Vo Van Kiet Attends World Population Meeting

*BK2107055691 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 11 Jul 91*

[Report on 11 July Hanoi meeting to mark World Population Day—partially recorded]

[Summary] "Dear friends, the State Commission for Population and Family Planning and its Hanoi branch this morning, 11 July, jointly held a meeting in Hanoi to mark the World Population Day, 11 July 1991. Comrade Vo Van Kiet, member of the Communist Party of Vietnam [CPV] Central Committee Political Bureau, first vice chairman of the Council of Ministers, and head of the commission attended the meeting.

"Also attending the function were Comrade Le At Hoi, chairman of the Hanoi people's committee; Nguyen Luc, deputy head of the State Commission for Population and Family Planning; Nguyen Thi Tam Dan, deputy chairman of the Hanoi People's Committee and chairman of the Hanoi Committee for Population and Family Planning, and representatives of agencies, branches, sectors, and mass organizations at the central level and in Hanoi."

Dr. Sheila Macrae, director of the UNFPA [United Nations Funds For Population Activities] in Vietnam, representative of UNDP [United Nations Development Program], many foreign ambassadors, and representatives of international organizations in Hanoi were also present.

Speaking at the meeting, Comrade Nguyen Luc stressed the significance of the World Population Day and efforts by various nations, including Vietnam, to overcome population growth. He cited achievements scored by Vietnam in this issue thanks to the assistance and support provided by the UNFPA and other international organizations.

In his address to the meeting, Comrade Vo Van Kiet said:

[Begin Vo Van Kiet recording] "Realizing the significance of the population and family planning task which has been included in the government's concrete lines and policies, the state, during the past several years, has formulated many policies to encourage the people to implement the family planning program, build small-scale families, and improve the people's standard of living. Documents of the recent Seventh CPV Congress—especially the strategy of socioeconomic stabilization and development—have once again asserted the importance of the population and family planning task and stressed the determination of the CPV and the people in resolving the population issue through a large-scale social activity on the basis of enhancing the people's intelligence, developing culture, building a new lifestyle, promoting self-consciousness, and protecting the interest of everyone.

"We contended that the campaign to reduce the birth rate must be aimed not only at controlling the population growth and building small-scale families, but also at improving the people's daily life, especially the material and spiritual life. In this context, we must strive to effectively implement the family planning program and support and foster workers who engage in building the new lifestyle in accordance with the national traditional morals and in the direction of learning from the modern world civilization.

"Given the economic difficulties in Vietnam at present, assistance provided by foreign governments and international organizations—especially UN organizations including the UNFPA—to the population and family planning program in Vietnam are of great significance.

"On the occasion of the World Population Day and on behalf of the CPV, the Vietnamese Government, and people, I would like to express our gratitude to foreign governments and international organizations for their valuable assistance. We are confident that, during our implementation of the strategy of socioeconomic stabilization and development, we will continue to receive international support and assistance. For our part, we will continue to enhance guidance for the population and family planning program so as to fulfill all set targets, effectively utilize aid and assistance provided by the United Nations and other international organizations, and strive to satisfactorily implement the population and family planning task." [end recording].

## Australia

### Opposition Accuses Minister Evans of 'Grovelling'

*BK2307101091 Hong Kong AFP in English 1006 GMT 23 Jul 91*

[Text] Canberra, July 23 (AFP)—Opposition leaders on Tuesday accused Foreign Minister Gareth Evans of "grovelling" in his admission that Australians, including Prime Minister Bob Hawke, could have been insensitive or insulting to Malaysia.

Opposition Foreign Affairs Spokesman Robert Hill said in a statement that Australia had been made to look ridiculous by the spectacle of its foreign minister publicly admitting the indiscretions of the prime minister.

"Grovelling is not the way to carry on international relations, any more than the rudeness exhibited in South Africa," Mr. Hill said, referring to criticism of a recent controversial trip to South Africa by Mr. Evans.

The criticism came on the eve of a meeting between Mr. Evans and Malaysian Prime Minister Mahathir Mohamed to try to ease the tension evident for some time between the two countries.

During his visit to Malaysia, Mr. Evans said Monday comments by "some parliamentarians" about Malaysia's 1986 execution of Australian drug traffickers Kevin Barlow and Brian Chambers had been "downright insulting."

He did not name Mr. Hawke, but Malaysian Prime Minister Mahathir Mohamed has frequently complained about Mr. Hawke's comment describing the executions as "barbaric."

Opposition Leader John Hewson also weighed into the controversy, saying that Mr. Hawke should have visited Malaysia personally to rebuild the damaged relationship.

"The prime minister should have dealt with this... He should have gone there personally some time ago and not sent Senator Evans," Mr. Hewson said.

He added: "We've argued now for almost a year that there's a fundamental problem in our relationship with Malaysia and the government has scoffed at us, said we were exaggerating.

"I think it's a sad commentary on the fact that they let it drift as long as they did that they now have to send Senator Evans, who after all isn't the most tactful person in the world, over to repair the damage," he said.

He said the situation could have been avoided to a large extent if the prime minister had acted when it was first pointed out as a problem.

"We have been marginalised in Asia in the eyes of many Asians. They look down on us because we have taken what are very real opportunities and squandered them," he said.

### Evans Acknowledges Insults Against Malaysia

*BK2307061291 Melbourne Radio Australia in English 0500 GMT 23 Jul 91*

[Text] Australia has acknowledged that the prime minister's criticism of capital punishment in Malaysia has offended Kuala Lumpur. The Australian foreign minister, Gareth Evans, says some groups in Australia have acted in ways insulting to Malaysia.

Gareth Robinson reports that Senator Evans has formally launched a diplomatic effort to restore friendly ties.

[Begin Robinson recording] Matters which had caused offense included criticism of Malaysian rain forest logging and the execution of two Australians for drug offenses in 1986 as well as a current ABC TV (?travel) series.

The senator said Australia respected the integrity of Malaysia's legal system and its position to use capital punishment. But he said the Hawke government would continue to raise human rights issues around the world, and it would not abandon its commitment to media freedom in Australia. [end recording]

### Oil Tanker Break Up Causes Ocean 'Catastrophe'

*BK2107104491 Hong Kong AFP in English 1015 GMT 21 Jul 91*

[Text] Sydney, July 21 (AFP)—Australia is facing an environmental catastrophe, officials said Sunday, as a Greek tanker began breaking up in heavy seas off the west coast, spewing thousands of tonnes of crude into the Indian Ocean. Richard Purkiss, director of Western Australia's department of marine and harbours, described the spill as "catastrophic." "It's the worst category you can possibly have, a major, major spill," he told a televised news conference in Perth. "I'm not aware of anything this size in Australia before. We have a significant oil spill on our hands," he said. Earlier, the vessel's 37 crew members were winched aboard helicopters as the tanker Kirki began breaking up after a fire which broke out in the small hours. Television footage showed the tanker with its bow sheared off and crude belching into the sea. Flames danced over the waves as the oil was reignited after being doused by the water. Captain Purkiss said "An unknown quantity of oil, between 10,000 and 20,000 tonnes" had spilled into the ocean and the slick was already 12 kilometres (seven miles) long and one kilometre (0.6 mile) wide. Dispersants would be sprayed from the air to break down the oil and booms would be used to contain it and prevent it from reaching beaches, he said. Five metre (yard) waves and 25-knot winds were hampering the efforts of tugs to get near the Kirki and tow it further out to sea. The 22-year-old vessel, carrying 80,000 tonnes of oil for BP Australia, was sailing towards Kwinana, just south of Perth, when fire broke out about three hours before daybreak. It was 35 nautical miles off the fishing port of Jurien Bay, 180 kilometres (110 miles) north of Perth, when the crew put out a distress call which was picked up at Perth airport. No injuries were reported and the crew were lifted from the decks of the Kirki to helicopters of the Australian air force and

Westpac bank and flown to Jurien Bay and to nearby Cervantes. Capt. Purkiss said attempts would be made to tow the Kirki 1,000 kilometres (600 miles) north to calmer waters, where salvage experts would try to transfer the remaining 60,000 tonnes of crude oil to another tanker. The front three tanks were ruptured, he said, but "we have no evidence at this point that there is any damage to the remaining tanks." Capt. Purkiss said the spill dwarfed the last major accident off the Western Australian coast in February, when the Japanese bulk carrier Sanko Harvest hit a rock and spilled 750 tonnes of oil and fertiliser into the sea. In Canberra, federal Environment Minister Ros Kelly said she was concerned about the possible effects of the spill, which threatens Western Australia's multimillion dollar crayfishing industry. The federal government would provide assistance if needed, Ms. Kelly said, alluding to the oil response strategy recently set up by the government and the oil industry to protect the Great Barrier Reef in the event of spills.

## Minister on Oil Spill

*BK2207091191 Melbourne Radio Australia in English 0800 GMT 22 Jul 91*

[Text] In Western Australia emergency crews have begun using a chemical dispersant on oil still spilling from the crippled Greek tanker Kirki. The 20-kilometer long oil slick is only 14 nautical miles off the West Australian coast near Jurien Bay. Fishing vessels are steaming back and forth through the slick in an attempt to break up the oil which has been described as a sheen on the water. A chemical dispersant is being sprayed on the oil but environmental authorities hope the slick will disperse naturally.

Australia's Shipping Minister Bob Collins has played down the threat posed by the oil saying the spill is no where near as catastrophic as first thought.

## More on Oil Slick

*BK2207070091 Melbourne Radio Australia in English 0500 GMT 22 Jul 91*

[Text] Environmental authorities in Western Australia believe immediate action to disperse a big oil slick off the coast with chemicals will not be necessary. Earlier, authorities said they were hopeful that a combination of winds and currents would keep the oil slick from the crippled Greek tanker Kirki away from the West Australian coast. Caroline Gull reports that an emergency committee is meeting to decide what action should be taken to disperse the oil.

The West Australian Environment Minister (Bob Pearce) expects it will decide to adopt the wait and see approach before the use of chemicals is considered. It feared that the dispersement could affect the larvae of crayfish in shallow waters and there is concern for colonies of seabirds and sealions. Experts from the eastern states and overseas are arriving at Cervantes about 200 Kilometers north of Perth. It also appears that the slick is moving further from the coast.

Meanwhile, two boats are towing the tanker Kirki 100 nautical miles west, where it will be decided whether to carry out repairs or transfer the remaining cargo on to another tanker.

## Government Freezes Property Trust Withdrawals

*BK2307104691 Hong Kong AFP in English 1006 GMT 23 Jul 91*

[Text] Canberra, July 23 (AFP)—The Australian Government Tuesday imposed a 12 month freeze on withdrawing funds from unlisted property trusts to prevent a run on investments estimated at seven billion Australian dollars (5.4 billion U.S.).

Attorney-General Michael Duffy said the action would avoid a selling spree in an already depressed property market.

Treasurer John Kerin, when asked if investors would receive their money in a year, told reporters: "yes."

Mr. Duffy said rumours had been circulating that there could have been a damaging run.

"Who knows how close it may have been," he told reporters.

"The approach... has been taken to restore confidence and stability in the unlisted property trust industry," he said in a statement.

"The major bank and life insurance owned funds managers had placed before the government advice relating to the deteriorating state of the unlisted property trust industry."

Mr. Duffy said the government was convinced a standard 12 month period was essential if fund managers were to cope with the difficulties they were facing in meeting withdrawals from trusts at short notice.

"It was readily apparent from the liquidity problems experienced by unlisted property trusts over the past year or so that many of these trusts would need to restructure the way in which they operated," he said.

The 12 month freeze is subject to provisions allowing withdrawals in case of hardship and includes scope for healthy trusts to release funds to investors.

The woes of property trusts stem from the collapse of the commercial property market following the 1987 stockmarket crash which has been intensified by the current recession.

So far only one unlisted property trust, estate mortgages has folded, although others had imposed their own freezes.

Unlisted property trusts became popular during the 1980s as a way for small investors to cash in on the commercial property boom and had attracted funds worth about seven billion dollars.

About half of this was invested in funds linked to insurance companies. The 10 largest unlisted property trusts control about 70 per cent of the market.

Mr. Kerin said that the dramatic step to freeze property funds was taken to protect the entire financial system.

The treasurer quoted reserve bank advice that action was needed "to avoid a sequence of events which may be injurious to the financial system."

The Australian financial system in under pressure due to the lending sprees of the 1980s with banks alone burdened with non-performing loans of an estimated 25 billion dollars (19 billion U.S.).

Under existing rules, property trusts are obliged to buy back units with as little as one week's notice, often forcing managers to borrow to avoid selling assets in an already sick commercial property market.